Daily Report

Latin America

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Cuba

Commentary: U.S. Blocking Economic Solutions

PA0911042591 Havana Radio Havana Cuba in Spanish 0000 GMT 9 Nov 91

[Commentary by Roberto Morejon]

[Text] The U.S. Departments of State, the Treasury, and Commerce have become promoters of visible maneuvers aimed at isolating Cuba. This is confirmed by reports in the U.S. media and other reliable sources, who note actions by U.S. officials to intensify the blockade through pressure on possible Cuban associates.

According to the sources, the White House has entrusted government, private, and international institutions having close links to the United States with exerting pressure on countries where Cuba could find commercial alternatives. The IMF and World Bank put special emphasis on the USSR, Cuba's main supplier, taking advantage of the complex situation in that Eurasian state, which has been compelled to knock on the doors of those financial institutions.

Washington is euphoric about the growing irregularities in the shipment of Soviet products to Cuba. At the same time, it is maneuvering to prevent emergency solutions being found for the Caribbean island. In that regard, it is known that the U.S. State Department has sent guidelines to Latin American foreign ministries to frustrate possible commercial operations with Cuba. Latin American businessmen face the risk that Washington could deny them visas to travel to the United States, which could hinder their commercial transactions with U.S. firms, if they insist on discussing possible economic associations with Cuba.

This clearly shows disrespect for the sovereignty of other countries, particularly Latin American countries, and represents a blow in the face for sacred free enterprise, which supposedly can do business with whomever it pleases.

Castro Comments on Blockade

FL0911190091 Havana Tele Rebelde Network in Spanish 1800 GMT 9 Nov 91

[Statements by President Fidel Castro to unidentified reporter during visit to International Fair in Havana on 8 November—recorded]

[Text] [Castro] Up to now, I think the fair has been great. It has been excellent and the environment that has surrounded the fair has been excellent. There have been excellent relations among the guests and among the Cubans and foreign friends who are visiting our country. Up to now, all is fine. However, I cannot give you a final evaluation because the fair will not close until 10 November.

[Reporter] Commander, much is being said these days about the blockade and [words indistinct] that the blockade exists, but does not exist. What do you have to say about this?

[Castro] It exists but well, it exists [words indistinct]. Someday it will die of illness or old age.

[Reporter] [Words indistinct] Latin American solidarity that we have seen here?

[Castro] There is international solidarity. Above all we have the solidarity of the Cuban people, the Latin American peoples, the peoples of the world who are against such an unfair thing like a blockade that even bans the import of medicine. We cannot even import an aspirin from the United States, and yet they talk about human rights. That is hypocrisy. If we need an aspirin we have to send to Europe for it when we could be sending to Florida for it. You understand? That is the blockade. They are trying to make it more difficult. They are furious because they see that we resist and fight. We belong to a race of men who fight and not men who give in, who surrender.

[Unidentified reporter] Those who fight...

[Castro, interrupting] Not those who crumble [desmerengan].

Castro Says Cubans Unhappy, Not Demoralized

PA0911202491 Madrid EFE in Spanish 1800 GMT 9 Nov 91

[Text] Havana, 9 Nov (EFE)—Cuban President Fidel Castro said on 9 November that his people "are unhappy" because of the economic difficulties they are enduring but that the situation has not demoralized them.

Castro made this statement during a news conference granted to Spanish newsmen after a meeting between the Cuban president and Rosa Diez, the Basque Autonomous Government's adviser for trade and tourism.

The leader of the Cuban Revolution rejected the possibility that the economic crisis would cause the people to protest. He said: "I have a very high opinion of the Cuban people. Our people have participated in many struggles in favor of sovereignty and they have always won. Nobody likes to see the people suffer. The sacrifices we may have to make will give me much pain, but I trust in the Cuban people's ability to get ahead."

He commented that his government was making extraordinary efforts to guarantee that staple items are provided to the population, especially to young people, and that "no child is without milk, or school, or medicine." He did not reject the possibility of having to face greater difficulties in the future, "but," he said, "our level of patriotism is very high."

When asked about the possibility of an economic opening, Castro said that his government is willing to study all

suggestions as long as the country's sovereignty is guaranteed. He said: "We need capital, technology, and markets. No book written by Marx, Engels, or Lenin says that a country can be developed without these elements."

The Cuban president alluded to the emergency measures that his government has implemented to deal with the country's economic situation and said that he is sure that the crisis will be overcome.

Castro denied that the fall of the regimes of Eastern Europe could have been foreseen and pointed to the Soviet Union, which, he said, had gone through more difficult times in its history.

"The Soviet Union was not destroyed at its foundation. Chaos and disorganization came from the top," he stated.

Castro commented on the irony of the domestic crisis in the Soviet Union: "Now no one wants it to break apart. Western Europe is terrified with the idea that millions of people from Eastern Europe may travel there, and to avoid this, the West Europeans may perhaps build a wall taller than the Berlin Wall."

The Cuban president said that he is certain about the survival of socialism because, he said, "History has not been written yet. There are 4 billion people in the world who are hungry and illiterate."

He also referred to the business possibilities foreign companies are finding in Cuba and pointed out that there can be cooperation between capitalism and socialism.

He outlined a favorable environment for businessmen in Cuba since, he stated, conditions in the country allow investments to be recovered in a "record" time of three years and can be tripled in 10 years.

He also confirmed that companies can be established with wholly owned foreign resources if they provide foreign markets, technology, and capital. To support his statements, he added that Cuba is socially stable and its citizens are well educated.

Regarding the Basque businessmen in Cuba, Castro called their presence historic and said that Basques are intelligent, hardy, and very capable people.

He explained that Cuba has natural resources that must be developed and said that one way to achieve this would be by establishing joint Basque-Cuban enterprises.

In addition, he stated that the presence of mixed enterprises had given Cuban workers a feeling of competence because "they look for discipline, so people should not imagine that this is a disorganized country."

Castro denied that the excessive bureaucratic requirements were a hindrance to foreign investment in Cuba. "When someone comes to Cuba with a proposal, it is immediately discussed and analyzed. This is the least bureaucratic country in the world. What really happens is that sometimes the projects are discussed for months, with each participant advocating his own interest," he said.

Regarding a possible Latin American Common Market, the Cuban leader said that the countries involved were divided on the issue and warned that "there is no future for these nations without complete economic and political integration."

In Castro's opinion, Spain and Portugal can play a role in this integration by serving as a bridge between the American continent and Europe.

To Fidel Castro, the common language and historical ties between Cuba and Spain pave the way for positive relations "despite all the yankee pressure."

Commentary Views Changes to PCC Statutes

PA0911032091 Havana Radio Havana Cuba in Spanish 0000 GMT 7 Nov 91

[Commentary by Roberto Morejon]

[Text] Several postulates and norms of the current statutes of the Communist Party of Cuba [PCC] are not consonant with the current historical phase. Therefore, the recent PCC Congress deemed it necessary to make some changes in party regulations.

The elected Central Committee will examine the factors that must be taken into account in drafting the new statutes to be subsequently approved. A call to realism and creativity was the outstanding feature in the draft document for the modification of the statutes approved at the Fourth PCC Congress.

The proposed changes to the statutes will be based on the need to eliminate all vestiges of practices associated with other realities that are not applicable to Cuba. The new statutes will confirm Cuba's adherence to socialism, will reaffirm the existence of a single party in the Cuban nation, will stress its Marxist foundation, and will call for building a society based mainly on its own experiences and traditions.

In addition, the Central Committee, which has been entrusted with this task, plans to include in its new regulations the need to permanently guarantee a broad democracy within society and the party. Its leaders and militants advocate respect for different views in [word indistinct] so that honesty, political courage, and loyalty will prevail in the analysis when seeking consensus. In other words, the party gives priority to an effective concept of discipline in accordance with internal democracy, the exercise of collective leadership and individual responsibility, and complete freedom of expression and opinion.

Support for constructive criticism, [words indistinct] and immobilization, and an adequate policy to encourage new leaders are also viewed as vital factors in the party's future life. The new statutes, which include those provisions, will soon be enforced despite the

country's current economic difficulties, and will reflect a policy in accordance with the current circumstances.

Castro Marks Literacy Campaign Anniversary

FL0911023191 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 9 Nov 91

[Text] Commander in Chief Fidel Castro participated this afternoon in a ceremony to mark the 30th anniversary of the proclamation of Melena del Sur Municipality as the first territory free of illiteracy. Addressing the hundreds of residents of that municipality who had gathered in the main park in Melena, the leader of the revolution mentioned what that historical literacy campaign has represented for our country; through it, our country was declared the first country in Latin America to be free of illiteracy.

Further on he stated that nothing we have today would have been possible without that feat, which has resulted in Cuba's 300,000 teachers and professors; its more than 40,000 doctors; thousands of engineers and architects; and the scientific potential which is today providing Cuba with so much prestige and is doing so much to save our nation and our revolution.

Fidel also spoke about the efforts currently being made in the food program, and reported that a large part of the fields in Havana Province are ready for the November and December planting season.

Castro's Daughter Denies 'House Arrest' Charges

PA0811220791 Paris AFP in Spanish 2115 GMT 8 Nov 91

[Text] Havana, 8 Nov (AFP)—Alina Fernandez Revuelta, the illegitimate daughter of Cuban President Fidel Castro, on 8 November denied to AFP that she is under pressure or "house arrest," although she reiterated she wants to travel abroad.

In an interview granted at her apartment in the Nuevo Vedado neighborhood in Havana, the 35-year-old Alina Fernandez, who seems to be in good health, handed AFP a written statement in which she refers to the comments that have been made concerning statements by Dr. Alfredo Garcia Santamaria, a childhood friend who resides in Sweden and with whom she maintains correspondence.

In a letter dated 16 September, Alina told Garcia Santamaria she wanted to go to Spain and she denied strong criticism against her father that the Spanish press claimed she had made.

Alina Fernandez said she has a "strong and old friendship" with Garcia Santamaria and "she feels the information has been manipulated or is the result of some rumors the press has been spreading for several years."

She also accepted the diagnosis by her friend and doctor that she has psychological disorders and anorexia, although she clarified that these ailments "are not the result of any pressure by the authorities or any type of house arrest."

In the communique, Castro's daughter explained that "it is not true that I have requested a definite departure from Cuba, although on two previous opportunities I have been denied the possibility of traveling. However, this will probably not happen again in view of the new immigration laws established for all citizens." Alina announced she has filed a new request to travel to Spain.

In the last few weeks, many foreign reporters have been observing Alina's home, where she takes care of her daughter and continues to receive visitors.

Dominican Republic

OAS Mission Given Tense Reception in Haiti

FL1111191691 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 11 Nov 91

[Text] More than 1,000 persons protesting the imposed OAS economic embargo against Haiti gathered in Port-au-Prince to meet the OAS delegation, which arrived a little before noon yesterday, one day later than scheduled, from Miami, Florida. The OAS delegation, which arrived on an Argentine Air Force plane, was not expected by the ambassadors of other OAS member countries who are still living in the country.

A caravan of appoximately 20 cars was immediately formed to drive from the airport to the Montana Hotel, located in the center of the city. As soon as the delegation left the airport, thousands of people tried to block the passage of the OAS delegation with shouts and by throwing themselves on the cars and beating the cars violently to protest the embargo, in effect since 8 October.

In spite of the serious tension which the delegation experienced during its first moments in Port-au-Prince, there were no incidents. This is the third time an OAS delegation has tried to restore democracy in Haiti by advocating the return and reinstatment of President Jean-Bertrand Aristide. Aristide was overthrown 30 September in a coup d'etat.

A high-level Dominican Government official has expressed concern over the possibility of a wave of Haitians coming to the Dominican Republic seeking food. Dr. Rafael Albuquerque, in La Vega, spoke on the political crisis that Haiti is experiencing and the resulting shortages. The labor secretary knows that the imposed economic sanctions against Haiti have produced conditions of shortages to which there are no quick solutions. Albuquerque contends that if the situation is not solved quickly our country could be overwhelmed by a wave of desperate refugees because of food shortages. Albuquerque said that when confronted with

the blockade, the Haitians are not going to throw themselves into the ocean, they will cross the border searching for food.

Economists from different sectors have increased the fears of the labor secretary while the military maintains that there is not a stampede at the borders.

Haiti

OAS Mission Postpones Trip Until 10 Nov

PA0911235791 Madrid EFE in Spanish 2304 GMT 9 Nov 91

[Text] Miami, 9 Nov (EFE)—The OAS mission that is traveling to Haiti to try to reestablish democracy in that country decided this afternoon to remain in Miami to await the necessary security conditions to land at the Port-au-Prince airport.

Augusto Ramirez Ocampo, former Colombian foreign minister, leading the mission of 14 OAS representatives, told EFE that at 1715 the necessary conditions to fly to Port-au-Prince do not exist, either from the standpoint of security or from a strictly operational standpoint.

Ramirez Ocampo was referring to the demonstrations held in Port-au-Prince this afternoon to protest the economic embargo the OAS has imposed on Haiti since 8 October. He was also referring to the operational situation at the Port-au-Prince airport.

He added that the Argentine Air Force airplane provided by Argentine President Carlos Menem in which the mission is traveling could not be ready to land in Port-au-Prince before nightfall and the airport has problems with its lights.

Ramirez Ocampo told EFE that the OAS delegation has plans to leave for Haiti on the morning of 10 November at 0800.

The mission, called OAS-DEMOC, which seeks to reestablish democracy in Haiti, decided to wait until 10 November to travel to Haiti in the middle of the trip between Washington and Port-au-Prince because it does not believe the necessary security conditions to continue the trip exist.

The Argentine plane is carrying 20 passengers and six crew members.

Demonstrators Await Arrival

FL0911210591 Port-au-Prince Radio Nationale in Creole 1800 GMT 9 Nov 91

[Report by Radio Nationale reporter Roland Chery from the Port-au-Prince International Airport—live]

[Text] [Chery] [Words indistinct] about the demonstration being held today. Thousands of Haitian people are standing, waiting for the arrival OAS mission in Haiti. Let me tell you that the atmosphere is very tense. People from all social walks have rallied today in large numbers; bourgeoisie, poor, and middle class people. We will also tell you that many posters are being waved. Soldiers have been deployed and they are surrounding the airport. Meanwhile, demonstrators move around. From where we are standing we can see a poster on which there is a picture of the former president with two horns on his head and a large tire in front of his face. Former Prime Minister Rene Preval is pictured on the other side. The poster reads: out and fuera [Spanish word for out] while a large group of people hold a tire up. They are saying no to an ayatollah in the Caribbean. There are many other posters. Our colleague Samy [not further identified] is going to tell us what he thinks of this demonstration today.

[Samy] Several hundreds of people participated in yesterday's demonstration; however, today it is different. Several thousands of people are on the streets carrying posters. We read on these posters: Down with Aristide; criminal, murderer, you cannot come back to this land.

It is really very tense here. Security is heavy at the airport. We have also notice the presence of many foreign and Haitian journalists who are also waiting for the arrival of the OAS mission in Haiti.

[Chery] We will report that an incident has occurred during today's demonstration. No incidents occurred during yesterday's demonstration but today it is different. We just learned from a reliable source that some soldiers, either from Fort-Dimanche or Cafeteria, have arrested a former SSP, [Presidential Security Service] supporter of the former regime. The person arrested, we were not able to get his name, was riding a motorcycle carrying a tape recorder and a transmitter. Police arrested him and handed him over to the Cafeteria soldiers who handcuffed him before taking him away.

Thousands of people are mobilized today waiting for the OAS delegation. They want to tell the OAS delegation: no to the embargo and no to the return of the former president.

Mission 'To Appease Coupists', Return Aristide

PA1011171591 Madrid EFE in Spanish 1543 GMT 11 Nov 91

[Report by Maria Luisa Azpiazu]

[Text] Miami, 10 Nov (EFE)—The OAS mission trying to reestablish democracy in Haiti will be traveling to Port-au-Prince with an imaginative plan that demands the return of President Jean-Bertrand Aristide under conditions that "would appease" the coupists.

The head of the delegation, former Colombian Foreign Minister Augusto Ramirez Ocampo, has told EFE that the mission's goal is to secure Aristide's return to power—an "indispensable" condition—through "negotiations" that will result in "guarantees for all the Haitian sectors."

Ramirez Ocampo said that there is "no possibility of any solution" that does not include the return of Aristide and

reiterated that the OAS mandate on this point is "very precise." Any alternative must include the "return of the constitutional president, a functioning judicial system, and respect for human rights," he said.

Various members of the delegation have told EFE that, once certain guarantees are offered, the conditions under which Aristide could return are "negotiable."

During the talks that will be held in Port-au-Prince, it could be proposed that Aristide be allowed to return to the Presidency but not his prime minister, Rene Preval, who "would be replaced by a man who would have to be accepted by Aristide and the other Haitian sectors, including the military sector," according to the sources.

Latin American diplomatic sources close to the mission have said that the new prime minister would also have more political power. As constitutional president, Aristide would then be somewhat "above good or evil."

To achieve this kind of a solution and to secure what Ramirez Ocampo has described as a society "without vindictiveness or revenge," the deposed president must suspend his criticism against the coupist general who overthrew him on 30 September, Raoul Cedras.

Aristide, who since his overthrow has visited various Latin American and European countries and the United States seeking support for his cause, habitually refers to Cedras as "traitor" and "coward."

The members of the mission know that they will be facing difficulties in these conversations, but say that they feel "optimistic" about the results of the talks. They have said that the most difficult part of this puzzle is to produce "peaceful coexistence" between Aristide and Cedras.

The members of the delegation do not reject the possibility of a "Chilean-style" solution, which would keep General Cedras as head of the Army but separated from political power, like Augusto Pinochet in Chile.

In an effort to separate the Army from Haiti's government, the OAS will try to pressure the Haitian parliament into quickly creating a police corps that would be responsible for the country's security and would prevent military intervention in police matters.

Senate President Comments on OAS Mission

FL0911235891 Port-au-Prince Radio Nationale in French 1700 GMT 09 Nov 91

[Statement by Dejean Belizaire, president of the Haitian Senate in Port-au-Prince on 8 November—recorded]

[Text] [Belizaire in Creole] We will receive the OAS delegation upon its arrival. The delegation will meet with several sectors of the nation. We, at the Senate, we will continue our work so we can be ready to meet with the delegation.

[Unidentified reporter] What will the delegation discuss exactly? Is it to negotiate for or against the embargo or negotiate for the return of Father Aristide?

[Belizaire] It is what we call a package. They are coming for all aspects of the crisis: the possible return of Father Aristide, and so forth. When they come, they will meet with different sectors and they will be informed on the situation in the country. There will be discussions between the parliament and the mission and further talks with different sectors.

[Reporter] Will the mission meet with the mass organizations?

[Belizaire] I do not have a firm indication in that sense. I think, however, it is possible.

[Reporter] How many days will they stay in the country?

[Belizaire] About four days.

[Reporter] I thank you.

OAS Mission Arrives; No Incidents Reported

FL1011194891 Port-au-Prince Television Nationale d'Haiti in Creole 1636 GMT 10 Nov 91

[Report from Port-au-Prince international airport with unidentified correspondent—live]

[Text] Well, as I told you a few minutes ago, it seems that the motorcyclists who are supposed to lead the procession of the OAS delegation have begun to move. It seems that the plane has already landed. But we cannot clearly see because we are not located very close to the action.

The plane has landed, according to the information we have received. In a few seconds, we will see the procession that is transporting the official OAS delegation that has come to Haiti at 1125 exactly. They will go to the Champ de Mars in front of the statue of Alexandre Petion. We see the cars. We do not know whether the cameramen are showing you the procession that has already begun to move off. We see the people demonstrating. The people are demonstrating while saying no to the embargo and no to a lot of things. We are looking at the crowd of demonstrators. The people are excited.

As I told you a few minutes ago, it is a peaceful and very calm demonstration. We see it. You can see it yourselves. There are cheers. There is no violence at all. There is no violence at all. We would like to focus on that. This is not a violent demonstration. This is peaceful demonstration.

The official delegation has already gone through the crowd. So far no incident has been recorded.

First Day of Talks Ends

FL1111023291 Port-au-Prince Radio Nationale in Creole 2355 GMT 10 Nov 91

[Report by correspondent Roland Chery in front of the Legislative Palace upon the departure of the OAS mission—live]

[Excerpt] The OAS delegation just left the Legislative Palace at 1855 and the members are going to their cars. You can hear how the people are chanting: No to Aristide; yes to democracy.

The OAS members are getting in their cars and leaving for their hotel. The demonstrators are still there saying no to Aristide and yes to democracy.

While the delegation's cars are leaving under heavy security, many demonstrators are cheering, saying no, no, they will not negotiate for Aristide's return. They are negotiating for the lifting of the embargo because Aristide is rat poison for them. [passage omitted].

Anti-OAS Activity Continues

PA1211040091 Mexico City NOTIMEX in Spanish 0007 GMT 12 Nov 91

[Report by Jacques Bien-Aime]

[Text] Port-au-Prince, 11 Nov (NOTIMEX)—The Haitian Government's hostile actions against the OAS mission in the country intensified on 11 November with threats broadcast over radio and television about taking up weapons if former President Aristide returns.

The OAS mission, which arrived here on 10 November, was received by the de facto government with demonstrations that were escorted by the police and whose participants were paid $20 each from public funds.

The trip by the delegation, which is led by former Colombian Foreign Minister Augusto Ramirez Ocampo, had to be postponed three times for security reasons. On three occasions the "welcoming committee"—formed by paid demonstrators and wealthy individuals who traveled in jeeps—was mobilized to protest "against foreign intervention in Haiti."

The organizers of the demonstrations against the OAS mission include leaders of marginal parties and some criminals who were freed by the coupists. The released criminals include the accomplices of former Duvalierist minister Roger Lafontant.

Most of the approximately 1,000 demonstrators were supporters of the military and poor people who received approximately $20 from the funds of the Secretariat of State for Social Affairs led by Claudette Gourdet.

Gourdet, who was removed by Aristide for embezzlement of funds and reinstated by Prime Minister Jean-Jacques Honorat, argued that the $20 payment was for needy families to pay their children's school registration.

The "protest" demonstration organized by the de facto government also passed in front of Army headquarters and the parliament. The people watching from afar could not hide their contempt.

The people have remained relatively silent. However, efforts were made to hold demonstrations in support of ousted President Aristide but they were quickly repressed with two people killed and several wounded.

In Cite Soleil and Carrefour, low-income neighborhoods, the Army conducted raids in search of an alleged clandestine radio transmitter that every night urges the people to resist.

In the interior of the country—in the area of Hinceh (130 km from the capital), Jeremie (300 km to the southwest), and Gonaives (170 km to the north)—soldiers arrested several priests.

This situation and the attitude of the de facto government will not help the OAS mission, especially when the national radio and television are constantly airing messages that "if Aristide returns, we will take up weapons."

The repressive atmosphere has become stifling, and Radio Metropole announced on 11 November that it would stop airing news bulletins "due to the pressures it has received." Several Haitian journalists have also received death threats because of their criticism of the government.

Latin American diplomats have said that the OAS mission will be successful "not because of the good faith of the de facto government or the military, but because of the effects of the trade embargo," which will force the most recalcitrant sectors to accept the return of the constitutional president.

Senate President Addresses OAS Mission

FL1111010691 Port-au-Prince Television Nationale in French 2035 GMT 10 Nov 91

[Speech by Senate President Dejean Belizaire at the Legislative Palace in Port-au-Prince—live]

[Text] Mr. President of the OAS mission to Haiti; Messrs. members of the mission; Messrs. OAS guests; Honorable Deputies and Senators; Members of political parties attending the session; Messrs. representatives of the press; and Messrs. diplomatic OAS representatives in Haiti:

On behalf of the president of the Chamber of Deputies; on behalf of the members of the Legislative Bureau; on behalf of the people's deputies; on behalf of the senators of the Republic; on behalf of the entire Haitian people; and on my personal behalf: I am pleased to greet you and welcome you to Haiti, to this institution, the Legislative Palace, the supreme center of representative democracy and of national sovereignty, so often endangered during our history to the violence of those who have always searched for personal power and scorned the sacred principle of the separation of powers in the functioning of all representative democracy.

Here today you are graciously responding to the invitation of the Haitian parliament, addressed to the Honorable OAS Secretary General Jose Clemente Baena Soarez, to send a mission of authentic democrats, to come to continue the negotiations initiated the past 4 October at the International Airport in Port-au-Prince, between an extraordinary delegation at the highest level of the OAS and Haitian national institutions. Those negotiations focused especially on the constitutional situation created by the departure on 30 September of President Jean-Bertrand Aristide, far before the end of the terms of his constitutional five year mandate.

This is certainly not the time to detail the genesis of this state of events. What is important to remember is that in this exceptional circumstance the Haitian Parliament fully assumed its responsibilities, with total respect for the 1987 Constitution, which was massively accepted by the vote of the Haitian people. Therefore, at first considering the circumstance of the temporary hindrance provided for in Article 148 of the Constitution, the Haitian Parliament found it appropriate to address two successive summonses to Prime Minister Rene Preval, in view of necessary constitutional agreements in order to assure the continuity of the executive power, especially in the execution of the responsibilities provided for in the Constitution in such cases. Second, the prime minister failed, and this failure led directly to the downfall of the government by virtue of a decree by the National Assembly dated 8 October 1991. From that moment, the Parliament was authorized, in this case of a vacuum in the Presidency of the Republic and of the downfall of the government, to apply Article 149 of the Constitution by designating a provisional president and by receiving his oath.

Your arrival here today lies within the framework of the sovereign acts that we have taken and that come by virtue of our parliamentarian competence in the execution of the legislative power. Your arrival follows a continuation of correspondence between the president of the democratic and constitutional institution that the Parliament represents and the OAS secretary general.

In several messages and letters that I personally addressed on behalf of the parliament, and during a trip to Washington last month by a parliamentary mission, the attention of the secretary general has been called to certain characteristic infringements of democratic ethics in the measures ordered against the poorest country of the hemisphere by the richest countries of the planet, which are part of the OAS. Those infrigements include a systematic scorn of the Haitian Constitution and a blatant violation of the OAS Charter, including its articles 3, 10, 11, 14, 18 and 19.

This is why the OAS Consultative Assembly of foreign ministers, setting itself up as the sovereign judge of the decisions of the Haitian parliament— a power democratically constituted by virtue of the 16 December 1990 and 20 January 1991 elections—has contested the constitutional solution to the crisis and has demanded the reinstatement of Jean-Bertrand Aristide in his previous post of president of the Republic, what is contrary to the principles and rules provided for in the OAS Charter. In addition, this is an obvious effort to apply the will of the strong against this poor and deprived people.

At a time when the OAS is contesting acts suspected of being [word indistinct] under threats and intimidations, we did not expect, and we could not have expected, to find ourselves in the situation of negotiating with the representatives of an organization recognized for its attachment to legal and democratic values while under the pressure of an economic and commercial embargo. Are we to be faced with the same difficulties that have always hampered our development as a free and independent people since our independence?

If our country is experiencing so many disappointments today, while the Haitian democracy is still in its infancy, it is easy to understand. How can one not understand the great backwardness of our country? Its entire existence has been marked by the serious contradiction between the pro-slavery power's desire to enslave and this people's desire to live in freedom and dignity. Our desire for independence was distressingly sanctioned by France through force, through a 31-year embargo from 1804 to 1835; and through 19 years of civilian and military occupation by the United States of America from 1915 to 1934, accompanied by a great number of deaths.

Finally, in October 1991, at the request of the most radical and most intransigent anti-imperialistic politician, it is the 34 countries of the hemisphere that combine all their economic and military powers of repression to assassinate our people by compelling them to die in the hospitals, in the streets, in the countryside by depriving them of all that is fundamental for their subsistence. [applause]

Who could have imagined that President Jean-Bertrand Aristide would look for the help of the United States to uphold power? Yet, despite all its misadventures, Haiti has not died. It has outlived its woes and humiliations because—if it is true that in our history there was Conze [who betrayed Charlemagne Peralte and caused his assassination on November 1919 by the Americans]—it is no less true that there was Jean-Jacques Dessalines, Alexandre Petion, Antenor Firmin, Rosalvo Bobo, Charlemagne Peralte, Benoit Batraville, and others. [applause] Thus, Haiti will not perish. [applause]

Honorable Deputies, Honorable Senators, Honorable Members of the Mission: the crisis that shakes the country now and that holds the attention of all other nations is a national crisis. No imposed solution will be either lasting or advantageous for the development of democracy in Haiti and America. Despite all, we are willing to meet with you, partners from the OAS, to find a solution together in serenity and serious reflection— the reflection that goes beyond formulas and inappopriate cliches.

May you ponder on the creation of the situation and the aspirations of the Haitian people to live in peace, independence, political freedom, and real economic progress, while fully enjoying its sovereignty, unanswerable to any trustee!

Throughout its history, Haiti has shown its great generosity. It sent men to Savannah; it helped Simon Bolivar, the great Latin American liberator, with its meager and poor resources. The Haitian parliament, guardian of the Constitution and the national sovereignty, remains confident that the sister peoples of America will understand the necessity to refrain from using a simple, chance mishap to strike a blow at the national dignity. Thank you. [applause]

OAS Team Says 'Negotiated Solution' Possible

FL1211125491 Bonaire Trans World Radio in English 1130 GMT 12 Nov 91

[Text] The head of the OAS team which is visiting Haiti, says he is optimistic that a negotiated solution can be found to end the country's political troubles. But Augusto Ramirez Ocampo says that the goal of the OAS remains the same, the restoration of President Jean-Bertrand Aristide who was ousted in the September military coup. Even as Mr. Ramirez made his remarks to reporters, his delegation was being shouted at by hundreds of people outside the negotiating cite. The 14-member team arrived on Sunday morning to similar demonstrations. UPI claims that the National Military Junta has been paying demonstrators to create a ruckus.

Deputies Set Conditions for Aristide Return

FL0811191591 Port-au-Prince LE NOUVELLISTE in French No. 34.176 7 Nov 91 pp 1, 5

[Report by Gaillot Joseph—all quotation marks as published]

[Text] The Crisis Committee formed within the Lower Chamber met behind closed doors on 6 November with a total of 30 deputies to discuss the embargo ordered against Haiti by the OAS and to prepare for negotiations with the OAS delegates.

The legislators do not rule out a possible return of deposed head of state Jean-Bertrand Aristide. This return should occur under a certain number of conditions.

If he really wants to return to the country, Aristide will have to:
1) Appoint a new prime minister to replace Rene Preval;
2) Give formal guarantees to the OAS to respect the military institution;
3) Accept the current government and the interim president as a means of national rescue;
4) Condemn necklacing;
5) Avoid any kind of witch hunt.

In Addition, Aristide will have to adopt legal measures to inflict the maximum punishment on any person who uses necklacing. This punishment will also be inflicted on any authors of a coup d'etat and all other means, subversive and unconstitutional, against the legitimate power.

We received this information from a deputy who wants to remain anonymous. According to him, the Chamber of Deputies is condemned "to go it alone" because the senators and the military are not in favor of the reinstatement of the president in his position of head of state, he said.

"We are waiting for the National Assembly (senators and deputies) to meet to adopt a common plan to facilitate the progress of the negotiations, the legislator pointed out. He went on to say: 'These are concessions that we are ready to make while hoping that we will be able to find a sense of compromise in the president father, in order to spare the country an institutional crisis.

It should be pointed out that the Chamber of Deputies will publish—according to the report of the crisis committee—a series of resolutions before the negotiations with the members of the OAS delegation on the upcoming weekend.

FNCD Favors Aristide's Return to Presidency

FL0811145791 Port-au-Prince Radio Metropole in French 1700 GMT 07 Nov 91

[Text] The National Front for Change and Democracy [FNCD] is calling for negotiations to reestablish democracy in Haiti with the return to power of President Aristide. The FNCD is inviting all sectors to take part in these discussions to avoid civil war in the country and to contribute to the lifting of the OAS embargo. The FNCD is asking the civilian population and the military to set aside the spirit of vengeance to pull the country out of the crisis with peace and respect for law.

The Front denounces the excesses committed against the population during the latest events and states that the Front has never held any talks with the Honorat government.

The FNCD hopes that the international community will maintain its solidarity with Haiti until President Aristide is returned to office.

Paul Urges Popular Support for OAS Resolutions

FL0811151191 Port-au-Prince Radio Metropole in French 1700 GMT 07 Nov 91

[Text] Port-au-Prince Mayor Evans Paul, interviewed by the Voice of America, hopes that the OAS mission in Port-au-Prince will be both firm and flexible. Haiti, as an OAS member, must subscribe to this organization's resolutions asking for the return to power of President Aristide, stated Evans Paul. He pointed out, however, that some arrangements must be made by the OAS to avoid violence and military intervention in this return process.

The OAS mission must not trust the accusations brought against Aristide, according to Evans Paul. These accusations are a propaganda campaign that can only serve the interests of the enemies of democracy.

Evans Paul is urging the population to express its disapproval of the current regime by nonviolent actions. The Port-au- Prince mayor is asking the people to forgive the soldiers who mauled him. It is necessary to end this cycle of violence which uses weapons, and necklacing, points out Evans Paul, who is demanding the birth of a real state of law in Haiti.

On 'Outlaws,' Lauds U.S., France

FL1111191891 Port-au-Prince Radio Galaxie in French 1300 GMT 11 Nov 91

[Statement by Port-au-Prince Mayor Evans Paul, spokesman for the National Front for Change and Democracy, FNCD, in Port-au-Prince, dated 11 November—recorded, in Creole]

[Text] We hail the arrival of the OAS mission, which has come to prepare the way and conditions for President Aristide's return to power. The National Front for Change and Democracy [FNCD] expresses its gratitude to the international community, which remains in solidarity with the Haitian people, who are struggling to enforce the democratic rights which they expressed in the 16 December 1990 elections.

The FNCD especially offers congratulations to U.S. Ambassador Alvin P. Adams and French Ambassador Jean-Raphael Dufour, who always have supported the democratic process in Haiti.

The FNCD believes that France will understand that the people who were hurling stones at the residence of the French ambassador in Haiti on the evening of 9 November 1991 are not the civilized Haitian people that respect international law and diplomatic immunity. This act was committed by a handful of bandits and outlaws, who are democracy's enemies.

The FNCD takes this opportunity to protest against the mistreatments, tortures, and deaths recorded among the people who were demonstrating peacefully in Bel-Air in favor of President Aristide's return on 9 and 10 November 1991 while getting ready to go and thwart the handful of democracy's enemies in front of the airport and the parliament. The FNCD believes that the OAS mission has noted that only one small group of people enjoy the right to speak and to demonstrate as they wish.

The FNCD condemns the way some journalists, who were covering the people's demonstration in Bel-Air in favor of President Aristide's return on 9 November 1991, were mistreated. While working against all forms of violence, the FNCD calls on the people to demonstrate peacefully everyday throughout the country from 11 November to demand the President Aristide's return before the lifting of the embargo.

We will gather en masse in front of the Villa d'Accueil [where the OAS delegation will meet] at 1400 today, 11 November, so as to drown out the voices of the handful of outlaws. Our watchword is: Up with Aristide for five years! Comrades, the day has dawned; get up; the cock has crowed; things must change.

Army Maintains Position on 30 Sep Coup

FL0911020791 Port-au-Prince Radio Metropole in French 2300 GMT 8 Nov 91

[Text] No change has been observed in the Army's stance which was expressed by a coup d'etat on 30 September. Members of the Army High Command, contacted Friday, formally denied statements by French Ambassador Jean-Raphael Dufour that those members of the Army who overthrew Aristide are ready to step down. Members of the military institution maintain that it was the entire Army that participated in the overthrow of Aristide, not a small group of military men. Members of the Army High Command consider the statements made by Ambassador Dufour an intimidation maneuver. The Army, according to members of the High Command, remains united and reaffirms its stance on the events of 30 September.

Nerette, Cedras Address Headquarters Crowd

FL1011200691 Port-au-Prince Radio Nationale in Creole 1752 GMT 10 Nov 91

[Report by correspondents Chantal Alcide and Roland Chery at the General Headquarters of Haitian Armed Forces in Port-au-Prince—live]

[Excerpt] [Alcide] [Words indistinct] of the Haitian Armed Forces where the activities continue after the Mais Gate International appointment. We must tell you that the delegation is now at the Hotel Montana and is preparing to go the Legislative Palace at 1430 to begin negotiations with their Haitian interlocutors.

As we tell you, the atmosphere is charged and excited here in front of the General Headquarters where we have recorded the noise for all the people who are at home and cannot come to experience this event. The theme is still the same. The crowd is shouting: Down with embargo; down with Jean-Bertrand Aristide's return.

The crowd is shouting so much that Army Commander in Chief General Raoul Cedras appeared on the balcony together with the provisional president of the country, Lawyer Joseph Nerette. There was really a frenzied excitement. The people could not contain their joy. Let us give an idea on how the atmosphere was. [recording played with crowd singing] They just sang the national anthem of the Republic. All the demonstrators were shouting: Thanks to the Army; thanks to Gen. Cedras. We are going to hand the mike over to Roland Chery who was also on the scene and who is going to share his opinions with us.

[Chery] Thank you, Chantal. Thank you, studio. We must tell you that the provisional president, Lawyer Joseph Nerette, was also singing the national anthem along with the crowd. As you know, there is a disinformation campaign in the country. All sorts of rumors have circulated about the president. But today, we have seen the truth. All the people who are present now and who are demonstrating have seen President Nerette in the flesh on the balcony of the Haitian Armed Forces' General Headquarters. They have seen him as well as Gen. Cedras and the entire General Staff of the Army. The demonstrators where shouting: Thanks to the Army; thanks to the Army for saving them from necklacing. Thus, the demonstrators are steadfast. They are united with one another. They say they will go to the Legislative Palace [across the street from the U.S. Embassy] to do the same.

We should also say that today is like a carnival of colors. We see that Haiti could consider today a carnival day. By the way, this is something that will go down in the country's history and that is unprecedented: Demonstrators numbering several thousand in front of the Port-au-Prince airport have had time to take their cars and go by the National Palace and the Army General Headquarters within 15 minutes to continue the demonstration. That is something worth seeing. [passage omitted]

Aristide Blames Cedras for Claude's Death

FL0911232591 Bridgetown CANA in English 2137 GMT 9 Nov 91

[Text] Port-of-Spain, Trinidad, Nov 9, CANA—Ousted Haitian leader Jean-Bertrand Aristide has blamed Brigadier General Raoul Cedras, the master-mind behind the recent coup, for the death of Christian Democrat Party leader Sylvio Claude.

The Army-backed provisional government on Friday ordered the arrest of Aristide and his Prime Minister Rene Preval for Claude's death on September 30, when the Army toppled the government.

"They burnt him (Claude)," Aristide said in Port-of-Spain on Friday. Aristide was on a one-day visit to the country.

State-run television in Haiti said the warrant against Aristide was issued in response to a complaint accusing him of responsibility for the death of Claude during the early stages of the coup. The warrant was also issued on the eve of continuing negotiations with the Organisation of American States mission, which is attempting to restore Aristide to power.

Claude was one of Aristide's rivals in last December's elections. The left-wing Roman Catholic priest said Cedras "chose to lie" so as to get the international community's attention on another matter. He added, "what they did first, was a crime against humanity because in less than two weeks, they killed more than 1,000 people."

The exiled leader said during his short rule, dignity was restored among the Haitians and they felt secure for the first time in a long period.

Aristide Promises Army Amnesty

FL0911133191 Bridgetown CANA in English 2228 GMT 8 Nov 91

[Report by Linda Hutchinson]

[Text] Port-of-Spain, Trinidad, Nov 8, CANA—Deposed Haitian President Jean-Bertrand Aristide says while he is prepared to give general amnesty to the Haitian Army if he is returned to power, he could not grant pardon to the military junta led by Brigadier General Raoul Cedras. "Cedras and his team did a crime against humanity killing more than 1,000 people - killing democracy," Haiti's first democratically-elected president told journalists in Port-of-Spain on Friday. "If we want to protect the future of democracy we cannot leave a criminal where he is, the way he is now," Aristide said during a one-day visit to the country.

In Port-au-Prince, the Army-backed provisional government Friday ordered the arrest of Aristide and his prime minister on the eve of talks with the Organisation of American States (OAS), state radio and television reported.

Aristide is now in exile in Venezuela and his prime minister Rene Preval remains in hiding in a Western embassy in the Haitian capital after a September 30 coup led by Cedras.

Aristide said when the international embargo on the impoverished country has its effect, Cedras would either have to go in prison or out of the country. "Then we will give a general amnesty to the Army and try, that way, with unity to go on," he said.

Since his forced exit Aristide has been urging the international community to cut aid and impose economic embargo on the country. He has also been traveling throughout the Caribbean and Latin America to harness support for his return to office.

Aristide arrived at the Piarco Airport by special flight accompanied by the Venezuelan Ambassador to Haiti Elsa Bochbeciambe, Trinidad and Tobago's Ambassador to Venezuela Knowlson Gift and two aides. Dressed in a double-breasted grey suit, the former leader received a 15-gun salute upon his arrival and inspected the Guard of Honour.

He met President Noor Hassanali, Prime Minister Arthur Robinson, cabinet members, opposition leaders, the press and members of the public. A special luncheon was held in his honour. During his meeting at the Central Bank auditorium, Aristide told members of the public that once the economic embargo begins to take effect, Cedras and his team would be in trouble. He said the team which plotted his overthrow would have to flee the country. "...If they stay, they will have the Haitians against them plus the military will be against them," he said.

Aristide will visit Bolivia over the weekend to seek support from the Latin American country.

Anti-OAS Embargo Demonstration Planned

FL0911003191 Port-au-Prince Radio Metropole in French 1700 GMT 8 Nov 91

[Text] A demonstration is planned for the arrival of the OAS mission on 9 November. It is the second protest of the week by the inhabitants of Port-au-Prince who are opposed to the embargo against Haiti. The demonstration is described as antinecklacing, antiembargo, anti-invasion. Under this triple objective, the sociopolitical organizations are inviting the population to demonstrate against the embargo ordered by the OAS. The invitation has also been extended to state employees in public administration.

It is to be recalled that an earlier demonstration, on Wednesday 6 November, rallied together about 100 people in Port-au-Prince.

Protests Against Interference

FL1111192591 Port-au-Prince Radio Nationale in Creole 1400 GMT 11 Nov 91

[Text] The Haitian Resistance League [LRH] has issued Communique No. 7 to offer patriotic greetings to all people who were mobilized on 10 November 1991 in front of the Legislative Palace. LRH says we must remain mobilized until the final victory while shouting: Down with embargo! Down with interference!

The league has called the people to gather today, 11 November, at 1400 in front of the Villa d'Accueil [where the OAS delegation will meet], urging all—both Haitians and foreigners—who love the country to gather so they can say what they want. The people who do not have cars are asked to come by the headquarters of the Haitian Christian Democratic Party. This communique is signed by Harry Roland Louis.

Protests, Rally Continues

FL1011183491 Port-au-Prince Radio Nationale in Creole 1727 GMT 10 Nov 91

[Report by correspondent Roland Chery from the Army Headquarters in Port-au-Prince—live]

[Text] It is exactly 1727 and we are in front of the Army Headquarters. The demonstrators have left the airport and are now gathered in front of Army Headquarters. Cars are parked all around the area; around the National Palace and the neighboring streets. The demonstrators are walking, moving toward the Army Headquarters. [Words indistinct] it is really a carnival atmosphere. [crowd chanting]. All social classes are part of the demonstration.

Let us say that the demonstration is taking a different approach: the demonstrators are saying that they are ready to rise up in arms behind the Army if the return of Aristide is imposed. The demonstrators are also planning to go to the parliament where the OAS delegation is due to meet with the Haitian delegation. The crowd is the same as at the airport. We can say that we notice no dissension among the people; everybody is for the same cause. The demonstrators do not want an embargo, they do not want [words indistinct] back in the country. They swear 70 times 7 that Father Aristide will not come back to Haiti. People are mobilized as if they were one man in order to say down with the embargo; down with necklacing. Many cars are blocking the streets and the people were chanting: down with the Bank of Paris; people should withdraw their money from the bank.

Some posters read: Aristide is a criminal; Do not come back to Haiti. Others say: Aristide is a vampire; Go join your good friend Castro; Aristide criminal, do not come back to Haiti; Aristide, devil, leave us alone; There are many other posters from different political parties protesting the embargo.

Army High Command Criticizes French Envoy

FL0911195891 Port-au-Prince Radio Nationale in French 1530 GMT 9 Nov 91

[Text] The Secretariat of the Haitian Army High Command last night condemned French Ambassador Jean-Raphael Dufour's unspeakable remarks which were reported by a press agency. According to a British agency (REUTER) press release dated 7 November, Mr. Dufour described the members of the military junta who overthrew President Aristide, as cowards who are ready to pack their suitcases and run. Such allegations are a blatant interference in the internal affairs of the country because, in substance, they are aimed at destabilizing the military institution for some undeclared goals.

Those remarks also advocate the application of the embargo, thus jeopardizing the existence of the Haitian people, and even call for a foreign intervention, a Haitian military communique asserts. The Haitian Armed Forces regrets this unspeakable attitude of the representative of the French Republic and point out the subversive nature of his statements which, in fact, attempt to tarnish the prestige of the corps and create confusion within the Army. The Army leadership, together with the officers, non-commissioned officers, and soldiers, reiterates the will of the military institution to continue supporting the democratic process as well as its determination to ensure the defense of the national territory despite the futile agitation of some lost sons who long for a colonial past forever gone.

Government Demands Envoy's Recall

FL0911214391 Port-au-Prince Radio Nationale in French 2000 GMT 09 Nov 91

[Press release from the provisional government dated 9 November]

[Text] The Haitian Government formally condemns the excessive, and provocative statements, prejudicial to the honor of the national institutions, made by Mr. Jean-Raphael Dufour, the French ambassador to Haiti. Mr. Dufour's statements are, by nature, intended to disturb public order and the negotiations that will begin in a few hours between the OAS and Haiti.

The government advises the public that the French Government has been asked through a letter to Foreign Minister Roland Dumas to immediately recall Mr. Jean-Raphael Dufour for the safety of everyone.

Envoy 'Booed' by Demonstrators

FL1011173291 Port-au-Prince Radio Nationale in Creole 1423 GMT 10 Nov 91

[Excerpt] The hot point of the news is about the demonstrations staged all this week in the streets of Port-au-Prince within the framework of the OAS civilian mission's visit. A huge demonstration took place on 9 November 1991 at the Mais Gate International Airport in Port-au-Prince. This demonstration attracted over 3,000 people. It was staged to receive the OAS delegation that was supposed to come to Haiti. The demonstrators shouted many abuses at French Ambassador Jean-Raphael Dufour. They said that he does not have the right to interfere in Haiti's internal affairs. We have reporters in the streets. Our reporter Nestor F. Saby recorded many statements, especially statements made after the demonstrators learned, late in day the that the OAS delegation had chosen to stay in Miami and had postponed its arrival. The demonstrators then went by the French ambassador's residence where they booed him while asking him to leave the country. [passage omitted]

Soldiers Surround Residence

PA1011202691 Madrid EFE in Spanish 1921 GMT 10 Nov 91

[Report by Michel Lamisere]

[Text] Port-au-Prince, 10 Nov (EFE)—The official residence of Jean Raphael Dufour, French ambassador to Haiti, who publicly criticized the coup that overthrew constitutional President Jean Bertrand Aristide, was surrounded by soldiers armed with machine guns early this morning.

Meanwhile, the Haitian Foreign Ministry has asked the French Government to recall its ambassador "for everyone's full security." The ministry last night issued a communique condemning Dufour's 6 November remarks, which the ministry said are "inopportune, provocative, and undermine the honor of the national institutions."

In remarks to a news agency, which were published by the French newspaper LE FIGARO, Dufour said that he had been in danger of death with President Aristide when the two were under fire on 30 September, one day after the coup. Dufour described the Haitian Armed Forces as "a crushed, rotten, and mediocre, but still dangerous, worm."

In addition, Dufour approved the economic embargo decreed by the OAS against Haiti following the coup and said that this organization "should not discount sending a multinational military force to Haiti if necessary."

Haiti's Radio National this morning aired remarks by French residents who expressed opposition to Dufour's statements. The French residents said that they have nothing to do with the ambassador's remarks, much less with their government's "strange policy" in Haiti. They also disapproved of the embargo.

One French woman, who declined to identify herself and who said she has lived for eight years in the country as part of French-Haitian bilateral cooperation, said she was "quite surprised at the ambassador's remarks." She added: "Despite everything, I am still convinced that France will forever be the country where democratic liberties flourish and that, in the end, wolves like Dufour will be hunted down."

Another French woman, who said she was a writer and married to a Haitian, but who also declined to identify herself, said that Dufour "has meddled too much in Haitian affairs."

Report on Demonstration at Villa d'Acceuil

FL1211021391 Port-au-Prince Radio Nationale in Creole 2300 GMT 11 Nov 91

[Report by Roland Chery and second reporter at Villa d'Acceuil and Hotel Montana, Port-au-Prince, 11 November—live]

[Text] [Chery] A new element in today's demonstration is the threat to take up arms if Aristide returns. The demonstrators have also maintained their earlier demands: the abolition of necklacing and lifting of the embargo. Their negotiation is not for the return of Aristide, but for removal of what they consider the criminal embargo against Haiti. The situation is calm at the moment. Police are out in great numbers to ensure security. The demonstrators are chanting. There is no threat, the situation is being conducted calmly.

[Second reporter] There are street vendors selling fried fish and drinks. Those who could afford to brought coolers with beverages. It is easy to observe that there are many wealthy people among the crowd. Those of little means buy cheap drinks. They have been here since this morning to balance those who would be representing a different point of view. It is interesting to observe that the same people have been demonstrating for five days. Their chant is: down with the embargo; down with necklacing.

[Chery] We are now at the Hotel Montana where we continue following the negotiations between the OAS and the Haitian political institutions in their efforts to find a solution to the crisis which has lately been disrupting the country. The OAS delegation was due to return to Villa D'Acceuil to continue negotiations with the Haitian organizations, but they never returned. We

later learned that because of their feelings of insecurity in view of the demonstration in front of the Villa, so they decided to stay and work at the Hotel Montana. They are still working, and will soon receive the Protestant sector. All other sectors are already present. Once the demonstrators learned that the OAS members were not returning, they proceeded to the residence of French Ambassador Raphael Dufour.

Resistance League Calls for Airport Demonstration

FL1011175291 Port-au-Prince Radio Nationale in Creole 1540 GMT 10 Nov 91

[Communique No. 6 issued by the Haitian Resistance League on 10 November; place not given]

[Text] The Haitian Resistance League [Lig Rezistans Ayisyen—LRH] has just learned that the plane bringing the guests has already taken off and that it will be a little late. It would be nice if we could reach the number of 100,000 demonstrators, as promised. The League is informing you that what must be settled now is something of national interest. It is the country's affairs that must be settled in the land of Dessalines [father of Haitian national independence].

The League is advising all patriots that there are 12 or so drivers available to take the people to the airport. Thus, the public transportation problem is solved. The League says the plane is en route. You have enough time to get there. Hurry up, come in crowds so we can show the entire world that we know what we want, and especially what we do not want.

Signed: Harry Roland Louis, coordinator of the LRH.

PANPRA Defends Military Intervention Stance

FL0911005291 Port-au-Prince Radio Metropole in French 1700 GMT 8 Nov 91

[Text] The Nationalistic and Progressive Revolutionary Party of Haiti [PANPRA] states in a press release that it is aware of the exceptional seriousness of the crisis in Haiti. It wants to advise the international community and the various national forces which are ruling on the crisis that the party intends to defend its stance against all foreign intervention on national territory.

Faced with the worsening of the economic and social situation resulting from the embargo imposed by the OAS against Haiti, PANPRA notes with bitterness that Haiti's most deprived class will be the one suffering most, despite their stand in favor of the embargo.

To prevent the situation from becoming even worse, meaning foreign intervention which no one wants, PANPRA is calling on the OAS, Father Aristide, the Army, the parliament, and the civilian authorities to show courage and clear-mindedness in an attempt to solve the crisis as soon as possible, through dialogue and negotiations from which all the institutions will profit, and to establish a real democratic society where there will be no differences, where the fundamental rights of citizens will not be trampled, and which will be governed by respect.

U.S. Concerned With Boat-People Issue

FL0811192691 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 8 Nov 91

[Text] The United States is wondering how it will solve the problem of Haitian boat-people. A U.S. official, who wants to remains anonymous, wonders whether they will be obliged to repatriate them to a government that the United States does not recognize. At the same time, they are afraid that a precedent will be set for other Haitian boat-people in case they do not repatriate them.

Last week, the U.S. Coast Guard caught six boats with 185 Haitians aboard. They were trying to secretly enter the United States. The Immigration and Naturalization Service is questioning them to determine whether they can enjoy asylum.

Thirty Refugees Arrested on Dominican Border

FL0911014591 Port-au-Prince Radio Metropole in French 1700 GMT 8 Nov 91

[Text] Thirty Haitian citizens are being held in the Dominican Republic, despite statements by a representative of the Immigration Service that the authorities have offered to protect those who are legal. The authorities arrested 30 Haitians this week, who were trying to enter the Dominican Republic illegally. The 30 citizens are currently in a prison near Dajabon, along with the parish priest the military arrested on the same occasion.

The United Nations Board of Refugees sent a mission to analyze the situation, mostly because of rumors that Haitians escaping the embargo are trying to take illegal refuge in the Dominican Republic.

Dr. Joseph Faublas, director of the Centre Bon Samaritain, a facility to help Haitian refugees, will accompany the UN Board of Refugees mission during its visit to the Dominican Republic.

Trinidad and Tobago

Haiti's Aristide Arrives for 'Brief Visit'

FL0811180791 Bridgetown CANA in English 1729 GMT 8 Nov 91

[Text] Port-of-Spain, Trinidad, Nov 8, CANA—Deposed Haitian President Jean-Bertrand Aristide arrived in Trinidad Friday for a brief visit. Aristide will meet President Noor Hassanali, Prime Minister Arthur Robinson and opposition party leaders Basdeo Panday and Patrick Manning. He has been visiting Caribbean countries seeking support for a bid to return to power in the impoverished French-speaking country.

Aristide, an outspoken priest, was toppled by the Army September 30.

El Salvador

ONUSAL Explains Mission in Initial Report

PA1111220491 San Salvador DIARIO LATINO in Spanish 8 Nov 91 p 15

["Initial ONUSAL (United Nations Observers for El Salvador) Report to the Salvadoran People," issued in El Salvador—no date given]

[Text]

Background

As is generally known, ONUSAL was established by the authority of the UN Security Council on 26 July 1991. ONUSAL's principle mandate is to verify human rights within the framework of the San Jose Accord signed in 1990.

What is commonly overlooked is that according to the San Jose Accord, ONUSAL was to have been established at the conclusion of the negotiations once the armed conflict ceased, to oversee the accompanying political agreements.

With UN Security Council authorization, ONUSAL was established prior to the cease-fire at the specific request of the Salvadoran Government and the FMLN [Farabundo Marti National Liberation Front], signatories of the San Jose Accord. ONUSAL is the first mission to supervise human rights on site. In addition, ONUSAL is the first verification mission established during an armed conflict.

ONUSAL's Mandate

The San Jose Accord outlines in detail the commitments by both signatories: respect for human rights and all that is inherent to human beings.

ONUSAL's main mandate is to actively witness observance of basic human rights, especially a person's right to life, well-being, and safety.

It is complicated for ONUSAL to verify respect for human rights during an armed conflict, in other words, in a situation not foreseen in the San Jose Accord. We need to stress that ONUSAL's task is not to supervise war activities during the armed conflict in El Salvador. Not knowing this has caused misunderstanding.

First Report on Observations

In view of the foregoing, the initial report (16 September 1991) examined the consequences and effects of the conflict. The report mentioned that ONUSAL's main task is to verify respect for human rights, not to certify the conflict or application and respect for international human rights.

Nevertheless, because the fundamental human rights of civilians may be seriously affected due to the conflict, ONUSAL has as one of its priorities to check the effects of the conflict on this population. For these reasons some aspects of international human rights have become part of ONUSAL's mandate while the conflict continues.

Establishing the Mission

ONUSAL was established in El Salvador during August and September. ONUSAL's personnel became familiar with the country's Constitution, police, laws, and the institutional and legal system. ONUSAL established working contacts with both sides: an easy task with the governments thanks to its administrative structure, but more difficult with the FMLN due to the conflict. ONUSAL also opened regional offices in San Salvador, San Miguel, Santa Ana, and San Vicente, as well as branches in Chalatenango and Usulutan Departments.

Beginning in October, the mission began its investigative work. It is interesting to note that among the hundreds of reports received through the end of October, many referred to common crimes and war activity, both of which are excluded from ONUSAL's mandate.

Work System

To properly evaluate the mission's work, one needs to first know the work it does. Both the San Jose Accord, as well as the UN Security Council resolution, require that ONUSAL's observations, analysis, comments, conclusions, and recommendations be first presented to the UN secretary general, who in turn will relay it to the Security Council and the General Assembly. At that moment it is made public worldwide. No mission member is allowed to issue public opinions on specific cases. The mission's commitment to confidentiality in its work may give the impression that ONUSAL is not very active. That impression is wrong.

Headquarters' Activities

The mission chief, who is responsible for ONUSAL's political aspects and the Human Rights Division director, who is responsible for verifying the San Jose Accords, hold frequent meetings with both sides at various levels and with the regional offices. They hold monthly coordination meetings at the ministerial level with ministries connected with their work. The mission chief and the Human Rights Division director hold coordination meetings abroad with the FMLN's Political-Diplomatic Commission. In addition, there is a weekly meeting with the Salvadoran Human Rights Commission director and periodic on site contacts with the FMLN in the areas of conflict.

Both officials frequently travel throughout El Salvador to meet with civilian and military authorities and with the directors of communities of repatriated and displaced persons.

The mission chief's military contingent keeps regular contact with the General Staff in San Salvador and with brigades and detachments in all departments through the regional offices. Likewise, similar contacts are maintained with the FMLN at different levels.

Aside from the field work, the Human Rights Division director's team receives reports and data from the mission's regional offices, which he uses to analyze basic aspects of the human rights situation in El Salvador. In his regular work, the Human Rights Division director makes frequent contacts with churches, labor and trade unions, etc. He also has a support team of legal and police advisers.

The Public Information Office uses all available media to disseminate information on the mission's activities.

The Teachers' Office promotes respect for human rights through talks to combatants on both sides and to various groups of civilians.

Regional Activities

ONUSAL regional offices have political, legal, military, and police observers and officials. Teams go out every day (including weekends) to make on site checks on respect for human rights. The teams receive reports in the offices and during their trips; these are evaluated and it is then decided if an investigation is in order. They regularly visit garrisons, security corps headquarters, courts, and jails. They also visit FMLN camps and command posts. The team drafts weekly reports to the main office on their regional offices.

Summary

To carry out their duties according to the San Jose Accord, ONUSAL personnel are constantly traveling throughout El Salvador. During an armed conflict, often the personnel come across clashes or have been close to military activities because of their work. Nevertheless, the mission's activities are not well known due to the obligation of their officials not to issue opinions in public before reporting to the Security Council. To try to remedy this, the mission will issue reports on its activities, provided comments and conclusions are reserved for their official reports.

The Salvadoran Government, as part of the San Jose Accord, invited ONUSAL. The mission's task is to help support the Salvadorans who sign the accords that result from the negotiation to resolve the country's situation.

Toward this end, ONUSAL always operates with full objectivity and impartiality, respecting Salvadoran sovereignty, the Constitution, laws, and institutions.

To fulfill its task, ONUSAL needs the understanding and support of both sides and the Salvadoran people.

Honduras

Callejas-Cristiani Joint Declaration Noted

PA1011155491 Tegucigalpa Voz de Honduras Network in Spanish 1715 GMT 8 Nov 91

["Joint Declaration" signed by President Rafael Leonardo Callejas and Salvadoran President Alfredo Cristiani at the presidential palace in Tegucigalpa on 8 November, read by announcer—live]

[Text] Responding to a cordial invitation from Honduran President Rafael Leonardo Callejas Romero, Salvadoran President Alfredo Cristiani Buckard officially visited the Republic of Honduras on 7 and 8 November 1991.

During their meetings, the presidents thoroughly evaluated bilateral relations and the Central American political and economic framework, as well as topics of mutual interest, such as the strengthening of peace, the consolidation of democracy, respect for human rights, social justice, and economic development within the regional, continental, and international context.

After exchanging their views, the presidents agreed on the following joint declaration:

1. The presidents reaffirmed their conviction that the strengthening of peace and respect for the dignity of both states and their people are basic to preserving harmony and encouraging cooperation between the two nations. In that regard, they reiterated the importance of implementing in its entirety and with absolute good faith the decision of the International Court of Justice (ICJ) regarding the current border dispute between the two states. They also recalled the commitment assumed in the presidential declaration of 31 July 1986, in which they agreed to establish a commission to study and propose solutions for the human, civilian, and economic problems that could affect their fellow citizens once the border dispute is settled.

2. They ratified the commitment of their governments to democracy and full respect for human rights as established by their internal laws and by the United Nations and the OAS. They stressed their conviction that the legitimacy of governments rests on the people's will as freely expressed in elections and condemned actions that result in the usurpation of power, such as the recent coup in Haiti. They agreed that full respect for human rights, the strengthening of representative democracy, and peace constitute essential conditions to guarantee the people's economic and social development and encourage mechanisms of cooperation that contribute toward that goal.

3. The presidents reaffirmed their determination to comply with commitments assumed in the process of establishing firm and durable peace in Central America, stressing the importance of reaching a regional agreement on security, verification, control, and limitation of weapons and military personnel. In that regard, they

agreed to continue to examine, within the framework of the Security Commission, the draft document for the Central American Treaty on Security presented by Honduras, which contains aspects related to the subject that can be the basis for that regional agreement.

4. President Callejas stated his full support for President Cristiani's will to successfully conclude the current negotiations between representatives of the Salvadoran Government and the FMLN [Farabundo Marti National Liberation Front] intended to reach a definite cease-fire and resolve the armed conflict in El Salvador within a constitutional and democratic framework.

The Honduran president pointed out the importance of the recent signing of the New York Agreement and the creation of the National Commission for the Consolidation of Peace [COPAZ], mechanisms that will ease the incorporation of irregular groups into the civilian, institutional, and political life of El Salvador by taking advantage of the existing political opening to achieve an effective, lasting peace and national reconciliation.

Likewise, President Callejas pointed out the significance of the appointment of the United Nations Observers Group for El Salvador [ONUSAL] established through the sponsorship of the Salvadoran Government to take part in the peace process.

With respect to this point, both presidents referred to the noteworthy performance of the UN secretary general and the presidents of the supporting countries; Colombia, Spain, Mexico and Venezuela for their tireless efforts that have been decisive in the success of the peace process.

5. In evaluating the present state of cooperation between their respective countries, and after having confirmed the progress in the Central American integration process, both presidents decided to sign a trade and investment agreement intended to ensure, in the least possible time, the establishment of a complete free trade zone between the two countries to firmly move toward regional integration.

With this purpose in mind, they have requested that the proper authorities analyze and adopt specific measures to recommend payment mechanisms that will stimulate trade, promote investment by developing capital transfers, and propitiate a greater integration of banking services.

6. The presidents pointed out the importance of undertaking concrete efforts by formulating economic proposals to develop the Gulf of Fonseca, specifically in the agricultural, fishing, and tourism sectors.

7. Likewise, the presidents acknowledged the economic and social advantages that could result from the prompt implementation of trinational, as well as national programs included in the Trifinio Plan. However, they stated their concern for the lack of concrete results regarding the beneficiaries. Therefore they instructed the appropriate authorities of both countries to negotiate the financing necessary to implement integral development projects that will result in raising the standard of living of the inhabitants of the area, thereby contributing toward eliminating the severe poverty prevalent in those communities.

8. Convinced of the need to expedite communication between the two countries and to stimulate trade among the Central American countries, as well as between Central America and the rest of the world through its various ports, they decided to support the analysis and subsequent implementation of different integration options in matters of transportation and other related services between El Salvador and Honduras within the framework of the Central American economic integration process.

At this time, the emphasis would include construction and repair projects along routes which, on the Salvadoran side, lead from San Salvador and the ports of Acajutla and La Union on the Pacific side to the border community of El Amatillo.

On the Honduran side, reconstruction would begin with the road from El Amatillo and passing through the communities of Aguanterique and La Marin toward the Tomayagua Valley, thereby connecting with the Clecacinco northern highway, which also leads to Puerto Cortes.

9. Furthermore, they decided to develop an energy policy that would benefit both countries, by continuing with the necessary studies and giving their best efforts to implement and operate the Honduras-El Salvador electrical interconnection.

Likewise, and within this same concept, the presidents agreed to promote research on those natural resources that can be jointly developed. The Salvadoran Government, as evidence of its interest in integration projects, has proposed the possibility of financing the total cost of the Honduras-El Salvador electrical interconnection. In this respect, the presidents have given instructions to the institutions charged with providing electrical energy in both countries to study possible mechanisms that would explain how Honduras would compensate El Salvador.

10. Both presidents stressed the importance of the resolutions adopted during the Central American health ministers' meeting recently held in Honduras with respect to implementing programs intended to control and eradicate the cholera and measles epidemic. They also acknowledged the support of the OPS [Panamerican Health Organization], UNICEF, and PNUD [United Nations Development Program].

In addition, they urged their respective health ministers to maintain close and permanent cooperation intended to devise measures to prevent and resist these afflictions. Such measures include exchanging information and experiences in areas such as the contamination of rivers and other waters, especially in border regions, and by adopting joint preventive measures.

In this respect, they agreed on the urgent need to request the technical and financial assistance of specialized

international organizations to efficiently resist the danger posed by the epidemic.

11. They stated their concern about and also condemned the production, distribution, and consumption of illegal drugs, as well as the increase in drug trafficking. They also expressed their conviction that to devise adequate measures to resist this problem, it is necessary to have international cooperation that takes into account the principle of shared responsibility and respect for the institutions of each country.

In addition, there is the need for more control on the sale of chemical susbstances used in processing drugs.

They pointed out the interest of both nations in strengthening the activities of the Permanent Central American Commission to Ban Production, Consumption, Trade, and Drug Crimes [Comision Centroamericana Permanente para Eradicar la Produccion, Consumo, Trafico, y uso ilicito de Substancias Sicotropicas y Delitos Conexos] based in Honduras.

12. The presidents regretted the persistent deterioration of the environment and stressed the relationship between preserving nature and continuing the development of their countries. They expressed their support for the work being done by the Central American Environment and Development Commission [Comision Centroamericana de Ambiente y Desarollo] and agreed on the need to continue to receive international support for this work.

13. The presidents, while recognizing a growing coincidence in area interests and the consolidation of a Central American isthmus, attached special attention to the recent installation of the Central American Parliament, a forum that will permit an increased capacity for dialogue and concerted agreements, both within and outside the area. Likewise, the presidents pledged their support for a review and update of the area's institutional systems, especially ODECA [Organization of Central American States]. ODECA should have principles, goals, and specific areas of work clearly outlined and supplied with proper framework to effectively attain the economic, social, cultural, and political integration of the Central American isthmus.

The presidents also expressed their satisfaction with a draft of a Central American community charter presented by the Honduran Government, which is to be analyzed by the proper authorities to ensure compliance with what the Central American presidents agreed upon with regard to the need to update the framework of institutional integration.

14. The presidents stressed the need to continue efforts to incorporate Central America into the new international order, which is characterized by interdependence and new ways of integration. They stated their interest in their countries to benefiting from new opportunities in international cooperation in Central America, especially with schemes that facilitate Central America's entry into world trade groups and that add to developing priorities according to Central America's own interests, as well as to strengthening democratic processes and institutions.

15. Due to the need for all governments and peoples to give their full support to establish a new level of understanding between countries and decidedly advance toward a new international order, the presidents of El Salvador and Honduras expressed their satisfaction with the Guatemalan Government's recognition of the right to self-determination of the people of Belize.

16. Both presidents recognized the importance of reinforcing the ties of friendship and cooperation with Caribbean community countries by holding the Caribbean Common Market, Caricom, meeting in San Pedro Sula, Cortes Department, Honduras, in January 1992.

17. The presidents reiterated their concern about the area's social situation and reaffirmed their commitment to improving deficiencies in the fields of health and education and to benefiting the social groups that are most exposed. Toward this end, the presidents assigned great importance to programs of national advancement and to apply in their countries the agreements that are contained in the World Children's Summit Declaration [Declaracion de la Cumbre Mundial de la Infancia]. The presidents also referred to the design of an area program to reduce poverty. This will be included in the next presidential summit to take place in Tegucigalpa between 12 and 13 December 1991.

18. President Alfredo Cristiani Burkard, in his own name and on behalf of those who accompanied him, expressed gratitude for the friendship and attention afforded by the Honduran Government and the people of Honduras during their stay and extended a cordial invitation to the Honduran president to visit El Salvador on a date to be agreed upon.

[dated] Tegucigalpa, Central District Muncipality, 8 November 1991

[signed] Rafael Leonardo Callejas Romero, president of Honduras

Alfredo Cristiani Burkard, president of El Salvador

Salvadoran President Holds News Conference

PA0811150991 Tegucigalpa Voz de Honduras Network in Spanish 2140 GMT 7 Nov 91

[News conference by Salvadoran President Alfredo Cristiani with local reporters and unidentified moderator at the Honduran National Congress in Tegucigalpa—live]

[Text] [Moderator] Reporters covering the National Congress, here is President Alfredo Cristiani, who will host a brief news conference because he only has 7 or 8 minutes. Please be brief and raise your hands. Mr. Guillermo Castellano of Radio America.

[Castellano] Mr. Cristiani, here is my question. A civil war has been raging in El Salvador for many years. The Salvadoran Government and FMLN [Farabundo Marti National Liberation Front] delegations are meeting outside the country. Is your government ready to accept the FMLN proposals to achieve lasting peace in your country?

[Cristiani] The Salvadoran Government has always clearly stated that it is ready to analyze and reach agreements on any proposal that attempts to help strenghten democracy, provided these agreements are of general interest to all Salvadorans. However, we will never agree to conduct negotiations that give specific benefits to one sector, such as having unconventional armed groups in El Salvador. That is how we have been handling the process, based on the Geneva Accords of 1990. These accords stated that the objectives of this process are: consolidation of democracy, unrestricted support for human rights, and national reconciliation.

[Reporter] [Words indistinct] our country, considering you are reaping benefits from bilateral treaties on energy and the like. I mean that the Salvadoran Constitution states that Salvadoran territory cannot be reduced. We have seen some ill will, if we can call it that. Can these sort of attacks happen again? What can the Honduran people expect?

[Cristiani] The Honduran people must feel totally assured and at ease that El Salvador will accept and abide by the ruling of the International Court of Justice [ICJ] at The Hague, something that is part of the peace accord signed between El Salvador and Honduras. The Salvadoran people are only thinking of forgetting this regrettable past and seeking greater friendship and future relations with the Republic of Honduras.

[Reporter] Mr. President, welcome to our country. Are the Salvadoran people truly prepared to accept a ruling that may be at odds with their wishes?

[Cristiani] The Salvadoran people want nothing other than peace, tranquillity, and to live in peace, mostly because of what they have experienced over the past 10 years. You must recall that when the peace accord was reached, all of El Salvador's political parties participated in it. All the political parties participated in the peace proposal, and all of them wanted it to take hold and be accepted. All of them want the dispute to be solved by the ICJ and will accept the ICJ's ruling.

[Reporter] The first phase of your talks with President Rafael Leonardo Callejas have concluded. What did you discuss regarding the dispute between Honduras and El Salvador?

[Cristiani] I told President Callejas a long time ago, and he agreed with me, that the two governments are awaiting the ICJ ruling, and each country is ready to accept the ICJ's ruling.

[Moderator] Here is Roberto Morazan.

[Morazan] It is said that the Goascoran River poses a cholera threat to Salvadorans.

[Cristiani] Honduras ordered tests of the Goascoran River, and in some areas the tests have turned up positive. We do not have a serious problem on the Salvadoran side. So far, the disease has appeared in other areas. We have paid great attention to the cholera epidemic in our country. We are promoting education campaigns to teach people how to avoid a cholera epidemic and the bacillus that causes it. We are holding permanent talks with Central America's education ministries to create joint strategies, chiefly regarding transference of information, that could be very vital to stopping the spread of cholera in our region. We have been lucky to have enough medicine. We have not had a serious outbreak of cholera in our country yet. We think the cholera cases will gradually drop.

[Reporter] Is the situation alarming?

[Cristiani] Not along the border. The illness has been reported in the low central region but not near our border.

[Moderator] [First name indistinct] Villalobo.

[Villalobo] Mr. President, during past presidential summits, the Central American presidents agreed to create a security commission to analyze the reduction of the region's armies. It is now said, however, that the Salvadoran and Honduran Governments oppose the idea. Is there not a contradiction between what the presidents agreed on in the past and your opposition to it now?

[Cristiani] No, there is no opposition. The Salvadoran Government's position is that as long as there is an internal conflict in our country, it is very difficult to talk about reducing our Armed Forces. In the case of Honduras, at no time have we felt that President Callejas is opposed to continuing the process that seeks a balance of forces in the region. On the contrary, President Callejas made a proposal at the San Salvador meeting. I believe that at the regional level it is understood that the cases of Guatemala and El Salvador are special, because we have internal conflicts, which makes it difficult for us to restructure our armed forces within that context.

[Reporter] El Salvador is interested in the creation and approval of a dry canal with Honduras in order to have an outlet to the Atlantic. In that regard, did you discuss this subject with the Honduran president and with the congressmen who must approve that project?

[Cristiani] We have been considering this possibility for a long time. More than an outlet, we are interested in increasing trade between the two countries and in using the ports, particularly those ports that offer facilities for the handling of containers for Honduras and El Salvador. The talks on the subject are still going on. We did discuss the matter with President Callejas. However, we will leave that subject for tomorrow's news conference.

[Reporter] Mr. President, could you dismiss the intentions of some Salvadoran groups who have said that they are fighting for part of the Honduran territory, that they

have historical documents to back their demands, and that is why there are talks about an outlet to the Atlantic?

[Cristiani] No, what should be understood is that both countries have raised the matter with the ICJ in order to present their views. That is natural and understandable in any dispute ventilated by a court, particularly the ICJ. However, El Salvador has never presented a thesis of that nature. It has simply tried to support its position before the ICJ with documents, as Honduras has done. That is why we must wait for the court's decision.

[Reporter] Are you seeking an outlet to the Atlantic?

[Cristiani] We have never sought an outlet to the Atlantic. The records at the ICJ are public, and we have never expressed any such thing.

[Reporter] Mr. President, when a sea outlet to the Atlantic for El Salvador is mentioned, could a dry canal be a solution or alternative for you and for Honduras at the same time?

[Cristiani] I believe that we do not have to say that El Salvador is seeking an outlet to the Atlantic. What we are trying to do is create a facility within the already existing port infrastructures in Honduras and El Salvador especially for the handling of containers. The handling of maritime international cargo using the container system is becoming more frequent each day. Many times it is too costly for ships to reach the Panama Canal. In that sense, both ships traveling to Honduras from the Pacific and to El Salvador from the Atlantic could benefit from that project. However, that is not what we are seeking with a dry canal or a road linking two ports, although it can be one of the objectives. What we are seeking is an infrastructure of ground transportation that can permit development poles in both countries. This could increase the possibilities for the development of various areas in Honduras and El Salvador.

[Reporter] [Indistinct question]?

[Cristiani] We will discuss that tomorrow.

Nicaragua

Tomb of FSLN Founder Fonseca Damaged

PA0911193691 Panama City ACAN in Spanish 1824 GMT 9 Nov 91

[Text] Managua, 9 Nov (ACAN-EFE)—The National Police have reported that on 9 November, unidentified persons dynamited the tomb of Carlos Fonseca Amador, which is located in Managua Central Park. Fonseca Amador was the founder of the Sandinist National Liberation Front (FSLN).

Preliminary reports indicate that a C-15 mine was left on 8 November in a floral arrangement during a ceremony to commemorate the 15th anniversary of Fonseca Amador's death in combat. The FSLN is currently an opposition party after ruling Nicaragua for more than a decade.

The FSLN's directorate condemned the "criminal attack" that took place at 0200 and called for a demonstration to protest "the vandalistic act."

Sandinist "Commander" Victor Tirado Lopez blamed "all anti-Sandinist forces for the criminal attack" and demanded an exhaustive police investigation to find the guilty party.

This action takes place at a time when there is great social and political tension in Nicaragua due to "terrorism" charges made by Former President Daniel Ortega, the top Sandinist leader, in addition to armed clashes between "recontras" and "recompas" [former Sandinist servicemen who have grouped together to face the recontras] and worker takeovers of businesses to demand better wages.

On the evening of 7 November, there was another vandalistic act in the same park when members of the self-proclaimed "Democratic Revolutionary Front" destroyed a monument erected by Managua Mayor Arnoldo Aleman. The monument was in memory of Luis Delgadillo, composer of the Nicaraguan national anthem.

Investigation Launched Into Attack

PA1111160591 Managua Radio Sandino in Spanish 1200 GMT 11 Nov 91

[Text] Police Commander Javier Lopez, national director of police proceedings, has reported that an investigation of the attack on the Carlos Fonseca mausoleum began on the morning of 9 November.

Lopez said the police have information that allows him to report that two persons placed the bomb at the monument. Lopez said that for obvious reasons he would not indentify his sources. The official noted that the attackers used 400 kg of dynamite and 3-meter fuses.

Hurtado Addresses Nation, Appeals for Calm

PA1011030991 Managua Radio Nicaragua Network in Spanish 0201 GMT 10 Nov 91

[Address to the nation by Government Minister Carlos Hurtado in Managua—live]

[Text] A number of violent incidents have taken place today, which have shaken the country and chiefly affected the city of Managua. Early this morning, a bomb was placed at the mausoleum of Commander Carlos Fonseca Amador. Some Managua Municipality offices were partially burned and looted during the day, at about noon. Individuals stole state and private vehicles and later destroyed them.

During the afternoon, the Foreign Ministry building was damaged, and Radio Corporacion in Managua and Radio Dario in Leon Department were destroyed. We have also seen the presence in different parts of Managua of armed individuals who are wreaking havoc and damaging different buildings. The government minister vehemently condemns the acts of terrorism that have taken place today and calls on the people to remain calm and not to fall prey to or accept provocations, no matter where they come from.

All of us must strive to maintain the country's stability. All citizens must strive to isolate these incidents, which though violent are nonetheless few in number, and direct our steps toward the middle ground that the government of Violeta Barrios de Chamorro is promoting, within the framework of national reconciliation. As an immediate step, the Government Ministry and the Police General Directorate have given priority to protect the lives of political leaders and deputies. For that purpose, it has dispatched a large number of policemen to perform this priority task.

Existing roadblocks are being reinforced to stop and control the flow of weapons. Additional roadblocks are going up along different sectors of the city to stop and control the flow of weapons and the people who are wreaking havoc. We are requesting cooperation from the Sandinist People's Army to reinforce the surveillance plan that is being set up for Managua to guarantee the security of the citizens. Similar actions are being taken in other departments of the country in a nationwide effort to guarantee order and tranquillity. Once again, we call on all Nicaraguans to remain calm and untroubled, not to fall prey to provocations, and to have confidence that the authorities will restore order and tranquillity. No reports on human losses have been reported so far. There are no reports of people injured or killed anywhere in the country as a result of these incidents.

D. Ortega Addresses Sandinist Rally

PA1011043291 Managua Radio Ya in Spanish 2310 GMT 9 Nov 91

[Speech by Daniel Ortega Saavedra, secretary general of the Sandinist National Liberation Front, FSLN, at the Plaza de la Revolucion in Managua—live]

[Excerpts] Sandinist and Nicaraguan brothers: Yesterday, in different places of Nicaragua and at this Plaza de la Revolucion, we commemorated the 15th anniversary of the death of our chief and older brother Carlos Fonseca, killed in combat against the Somozist guard.

Yesterday, we also warned about Somozist attempts to take over our fatherland again. Today, we are facing this infamous deed which is no surprise to us. We knew Somozism yesterday and we know it now. Because we knew Somozism, we fought it until we expelled it from power in 1979. Because we knew Somozism, we know that we are finding it again in the country's political, economic, and social life. Yes, we must admit this Nicaraguan brothers: Somozism is returning to our fatherland. [crowd chants slogan: "Death to Somozism"]

Nicaraguan brothers: Let us recall 25 April at the Rigoberto Lopez Perez National Stadium. The poor people, the Sandinist people, sat to the left where the sun hit the bleachers. To the right side of the stadium sat the poor people who voted for UNO [National Opposition Union]. Other people sat in box seats and on the shady side. They were those who had not lived in Nicaragua during the past 11 years; they were those who came from Miami. They were those who sacked and murdered the people and then left for Miami.

Recalling 25 April, we commented with the brothers of the National Directorate of the Sandinist National Liberation Front [FSLN], that when I spoke at that historic event and asked where the Somozists were, the Sandinists who were sitting to the left, the sunny side, pointed to the Nicaraguan brothers who voted for UNO and were seated to the right, the shady side.

Similarly, the Nicaraguan poor who were sitting on the shady side pointed to the Sandinists. Why were we accusing each other of being Somozists? Because, despite our political differences, we were united regarding our anti-Somozist feelings. We were ashamed to be called Somozist. For this reason, the Sandinists pointed to the UNO members and the UNO members pointed to the Sandinists.

What does this prove? It proves that the poor and working people, even the poor people who voted for UNO, did not vote for Somozism. [passage omitted]

We have been fighting for the stability of the country. We have been giving a great deal to the struggle for peace in Central America. We have been working so that the antagonism among peasants, who were victims of the war, can be overcome. We have been working so that all workers, popular sectors, and the poor of Nicaragua can become united.

We have been fighting so that patriotic businessmen, merchants, technicians, and professionals can come together to promote a true national process, a process that first considers the interests of workers and rejects the return of the Somozists.

Despite these efforts, Somozists have been returning to our fatherland. Somozists have been returning and directly attacking the people. Since 25 April, Somozists have murdered more than 60 Sandinist militants and activists of various Nicaraguan towns.

Somozists are promoting hatred against the FSLN. Somozists have been promoting—together with UNO deputies at the Assembly—Somozist laws through Alfredo Cesar, that mercenary CIA agent. [crowd shouts] This hypocrite, this self-righteous person should not try to pretend that he is a good man because he promoted a

bill at the National Assembly eliminating the law that recognized the names of the heroes and martyrs of our country. [passage omitted]

Right now there are three individuals in Nicaragua who are sowing discord, hatred, violence, and destabilization. They are: Managua Mayor Arnoldo Aleman, Cesar, and Vice President Virgilio Godoy.

Cesar approved the famous 133 Law at the National Assembly. With it, he plans to steal land from the peasants, houses from the residents, and industries from the workers. This Somozist law, which was approved by UNO at the National Assembly, is destabilizing the country. UNO could obtain a majority of votes to counter the veto sent by the executive branch. We have to admit that the executive branch sent a veto and declared that the law was not valid. But, if the UNO deputies vote against the executive branch's veto, they will again confront the people's resistance, the people's struggle, and the people's aggression. [crowd shouts slogan: "People's Power"]

They are also provoking a coup d'etat in the country because they are presenting bills at the National Assembly in an attempt to interpret the Constitution in their favor. This would be a coup d'etat and the Nicaraguan people would immediately rise against such an action.

These Somozists have also addressed the National Council of Political Parties and have requested that it ban the FSLN. The council could ban us, but the Front will not cease to exist because of this. Somoza banned us too. Despite Somoza, the Front knew how to fight and we destroyed Somoza. We will now also know how to fight and destroy Somozism.

They also filed a suit against me. They also orchestrated a campaign to hold debates on stripping me of my immunity. I told them: Keep my immunity, because my immunity stems from the people of Nicaragua. The next day, Managua Mayor Arnoldo Aleman said that I will be brought to trial at once to get a 30-year prison sentence. We are ready to go to court, because Daniel Ortega would not be the one on trial but the people of Nicaragua and the FSLN! Somozism will not return to Nicaragua; people are struggling against it.

Somozists Virgilio Godoy, Alfredo Cesar, and Aleman are bent on getting rid of the government because they think they are going to destroy the Sandinists that way. They fail to realize that the moment they try to get rid of the government, their heads will roll and not the FSLN's. There is another battle being waged where Somozists are showing their claws. That battle is related to the workers's struggle to keep their lands; it is related to the workers' struggle to participate in enterprises; it is related to the workers' struggle against unemployment and to earn decent wages.

The enemy has wanted to take advantage of the process of privatization to control the wealth of the country. Somozists are trying to take control of the lands of peasants and factories that belong to the workers. Lest there be any doubt, here with us is the National Workers Front [FNT]. Lucio Jimenez is here and is being greeted by the people gathered at Revolution Square. Lucio Jimenez is waving at the crowd. Here we have a united National Directorate, a united FSLN, a FNT united with the FSLN! [passage omitted]

We heard this man Godoy today demanding that the police and Army come and fire at the people. The Sandinist People's Army and the National Police have deep roots among the people and will never fire on the people. Cesar has also been calling on the police and the Army because he knows that the Army and the police will not let themselves be tools of the Somozists that are creating the municipal police. We said we will never let the municipal police get organized. We said that the moment the municipal police are established, we would be setting up the Sandinist peoples militias.

The National Police and the Army have assumed their duties as the guardians of national integrity and the security of the people. They have taken steps and are ready to continue to prevent the creation of the so-called municipal police. The Nicaraguan people are represented at Revolution Square. We have mentioned a number of incidents...[pauses] We are accused of destabilizing the country and of being violent when it is they who are always stirring hatred and violence. Radio Corporacion constitutes an example of that. Radio Corporacion has been preaching hatred and violence in this country.

Recently, Somozists set fire to an FSLN house in the little town of La Concepcion, Masaya Department. They depicted this action as something heroic. What are they going to say tomorrow? What are they going to say tomorrow in their news media now that an outraged people set fire to the Somozist municipality? What are they going to say tomorrow when they realize that people burned Radio Corporacion? They are going to try to forget about today's criminal incident. They are going to try to make people forget about the desecration of our brother Carlos Fonseca. [passage omitted]

We, Nicaraguan brothers, Sandinist brothers, we must continue striving for the things Sandino and Carlos fought for; for those who gave up their lives and for those who left us their ideals so that all Nicaraguans can truly live as brothers, have a just and decent living standard, have jobs, and totally eradicate Somozism from our fatherland. We want to give a new opportunity to that objective, to which we cannot renounce. What does that mean, brothers?

After this rally in this square, where we came to reaffirm our willingness to fight and where we made it clear we are ready to fight at any time and in any arena, it becomes important that we work to overcome this crisis and curb the actions that took place in Managua and in other departments and get better organized to continue

struggling to be ready to cope with any new aggression from Somozists, to be ready to face Law 133, if the National Assembly deputies override the president's veto, to continue struggling so that peasants can have land, to continue struggling so that all workers can have a job, and to continue struggling so that the peasants who fought alongside the contras may join the Sandinist peasants and all the workers. That way, we will turn Nicaragua into a country that is truly in peace, truly democratic, and truly free. [passage omitted]

Sandinists Burn Vehicles, Offices in Managua

PA0911212091 Hamburg DPA in Spanish 2034 GMT 9 Nov 91

[Text] Managua, 9 Nov (DPA)—Thousands of Sandinists went into the streets of Managua on 9 November, perpetrating acts of violence, including the burning of vehicles and municipal offices, as a reaction to the terrorist action early this morning against the tomb of Commander Carlos Fonseca, founder of the Sandinist National Liberation Front (FSLN).

FSLN leaders and angry protesters charged that Managua Mayor Arnoldo Aleman is provoking the political tension because of his extreme rightist position against the Sandinists.

The main offices of the Managua municipality were set on fire by the demonstrators who seized buses and trucks to travel from the Plaza of the Revolution to the offices located in Managua's southwestern district.

An exchange of gunfire in the area of the municipal offices, supposedly between demonstrators and guards at the building, forced the firefighters to withdraw from the area. Other municipal offices located near the Nicaraguan Presidency were looted by groups of demonstrators.

Commander Johnny Mua, police chief in the area, said that the terrorists used C-4 explosives to blow up part of the mausoleum containing the remains of the Sandinist leader who was killed by the National Guard 15 years ago. So far, the police do not have any information on the identity of the perpetrators of the terrorist action. After several attempts, firefighters managed to extinguish the fire in the offices of Mayor Arnoldo Aleman, who flew to Guatemala two days ago.

Aleman, with other leaders of the Liberal Constitutionalist Party, asked the National Assembly one week ago to strip Daniel Ortega, secretary general of the Sandinist National Liberation Front, of his congressional immunity. The Sandinist leader renounced his immunity after he was accused of abetting crime and calling for the establishment of Sandinist popular militias, as a response to a Managua municipality announcement that it was creating a municipal police.

Luis Carrion announced that a rally is to be held in a few hours at the Revolution Square as a way to "condemn and reject" the attack.

Sandinist demonstrators set fire to several vehicles owned by the municipality and commandeered other state vehicles.

The government has not issued any report on the situation. Presidency Minister Antonio Lacayo has been in Miami, Florida, for the past three days.

Masons began repair work at the Commander Fonseca Mausoleum, while others opposed the Army announcement that it would do this work.

The Peace Square, where President Violeta Barrios de Chamorro buried weapons seized from contras and civilians, was destroyed and plaques with the names of Jimmy Carter, Javier Perez de Cuellar, Oscar Arias, Carlos Andres Perez, and other international political figures were pulled off walls.

Managua Fire Out; Looting Noted

PA0911220491 Managua Radio Ya in Spanish 2109 GMT 9 Nov 91

[Report by Heriberto Mercado]

[Text] The fire that consumed the main offices of the Managua Municipality was extinguished approximately five to 10 minutes ago. This is the building where the offices of top officials are located. The fire was caused by the wrath of the people after they learned that extremist sectors are determined to destroy the country, starting with the attempt to desecrate the remains of Carlos Fonseca Amador. After the fire at the Managua Municipality offices was extinguished, the poor of the area began to steal what little remained of the office equipment.

Approximately 100 or 200 persons, maybe more, from low-income areas close to the Municipality are stealing the few things that survived the fire. Some people are stealing air conditioners and furniture that were partially damaged. They are also stealing some state vehicles.

We can report that an armed skirmish took place between former contras who are occupying the International Support and Verification Commission-OAS office, located in Managua's western sector, specifically in the Bolonia area. Some community leaders were provoked by a group of former contras. One photographer working for an international news agency was slightly injured, but we do not know his name. Reliable sources and eyewitnesses report that one foreign photographer or a journalist from an international news media was injured in this skirmish.

As we reported, firefighters have controlled the fire at the Municipality building. After solving technical problems, the firefighters entered the area of the fire and put out the flames. Civilians removed the office furniture and

equipment that survived the fire in 100 to 200 public offices of top government officials. Some people are trying to use the equipment that was not totally consumed by the fire. This is what is happening. We are staying on line, and now are going back to our central studios.

Unidentified Men Destroy Radio Corporacion

PA1011004691 Managua Radio Nicaragua Network in Spanish 0004 GMT 10 Nov 91

[Text] We have last minute news. Unidentified armed individuals have machine gunned the equipment of the studios of Radio Corporacion. Here is a report by journalist Cesar Rodriguez on this serious terrorist action:

[Rodriguez] At approximately 1645, between 10 and 15 individuals, concealing their faces with red and black bandanas and armed with AK-47's, opened fire on the studios of Radio Corporacion and Radio Minuto, totally destroying the equipment. We went to the Radio Corporacion and Radio Minuto studios to speak with the employees of the two stations and they made the following statements:

[Begin recording] [passage indistinct]

[Rodriguez] We will now speak with a Radio Corporacion employee. Tell me, how did the criminals who attacked the station treat you?

[Unidentified employee] Well, somewhat bad because they [words indistinct] the rifles. They said they were going to kill us. They shoved us and said they would execute us.

[Rodriguez] How long did the terrorist action last?

[Employee] Well, about 10 to 12 minutes.

[Rodriguez] How many people were involved?

[Employee] About 15 men. They were armed with pistols and AK and M-16 rifles.

[Rodriguez] Did they destroy everything inside Radio Corporacion?

[Employee] Yes, they destroyed everything, the recorders, the console, the windows, everything. [passage indistinct] [end recording]

'Sandinist Followers' Blamed

PA1011005591 Panama City ACAN in Spanish 0005 GMT 10 Nov 91

[Text] Managua, 9 Nov (ACAN-EFE)—"Radio Corporacion" employees denounced that a group of armed men destroyed equipment of the anti-Sandinist radio station "with bullets" on 9 November.

One of the station employees told ACAN-EFE that the men said they were Sandinist followers and carried weapons at the time of the attack.

He added that the unknown men arrived in two vehicles, which unexpectedly broke into the radio station and shot bursts of bullets against "all the broadcast equipment."

The police, who arrived at the radio station later, said the station employees, who were at the station when it was attacked, were unharmed.

Tension and violence increased in the country this morning after unknown people dynamited the tomb of Carlos Fonseca Amador, the founder of the Sandinist National Liberation Front, early this morning. The tomb is located at the central park in Managua.

Dozens of Sandinist followers reacted to this action by burning six vehicles and the Managua municipal offices, which is headed by Arnoldo Aleman, who is said to have directed the attack on Fonseca Amador's tomb.

Radio Corporacion's broadcast antennas were destroyed by unknown people in July 1990.

Radio Dario in Leon Destroyed by Mob

PA1011023991 Managua Radio Nicaragua Network in Spanish 0154 GMT 10 Nov 91

[Excerpts] We have confirmed that Radio Dario of the city of Leon has been destroyed. We will establish contact with an employee and with the owner of the station to obtain details.

[Begin recording] [Unidentified employee] The action occurred at approximately 1810. We had been prepared because we had heard that a mob was coming to the station. We closed the main gates of the station part of the morning and all afternoon. We saw that a mob was approaching the station. The people were throwing rocks and tear gas. They broke down the doors and also entered through the roof. They destroyed the console. They were drunk. They also hurled bombs. [passage omitted]

[Reporter] We now have Radio Dario owner Juan Jose Toruno. How much damage was there at your station?

[Toruno] We do not yet have the estimates because we have just gotten here, and we have not had time to evaluate the damage, however, it is high. The destruction has been total. The roof, the equipment, and the offices were destroyed. It looks like there was an earthquake.

[Reporter] Who do you think was responsible for the attack?

[Toruno] The employees of the station were able to identify some people who had previously come to attack the station. One of them is Freddy Medina, a former soldier. Another is Francisco Rico, a member of the Sandinist party. Another is a man who works at Radio

Venceremos in Leon [words indistinct] operated by the Leon municipality. [passage omitted] [end recording]

Airport Employee Reports Suspension of Flights

PA1011024391 Paris AFP in Spanish 0216 GMT 10 Nov 91

[Text] Managua, Nov 9 (AFP)—A Managua airport control tower employee reported that an electricity outage left the airport in the dark and that local and international flights had to be suspended because of this on the night of 9 November.

The informant said that the airport continues without electricity because the emergency plants are out of order. However, he refused to give details on the reasons for the electricity outage.

The closing of the airport follows several violent actions that have taken place in Managua after a bomb partially destroyed the tomb of Carlos Fonseca, the founder of the Sandinist National Liberation Front, early on 9 November.

Government Condemns Violence, Requests Order

PA1011012191 Managua Radio Nicaragua Network in Spanish 0105 GMT 10 Nov 91

[Communique issued by the Presidential Press and Information Directorate in Managua on 9 November]

[Text] The Presidential Press and Information Directorate announces that the Nicaraguan Government vigorously condemns the unjustified terrorist actions which occurred on 9 November. They included the burning and looting of the Managua municipal offices, the seizure and burning of government and privately owned vehicles, and the destruction of national monuments.

These actions affect the country's stability and do not benefit anyone. They especially harm the poor. On behalf of the national reconciliation promoted by President Violeta Barrios de Chamorro, we issue a call to citizens not to be provoked, to respect the laws, and to follow the orders issued by the authorities in charge of maintaining public order.

[Issued] Managua, 9 November 1991
[Signed] Presidential Press and Information Directorate

Matagalpa 'Practically Seized' by Sandinists

PA1011020091 Managua Radio Nicaragua Network in Spanish 0129 GMT 10 Nov 91

[Report by (Novy Rosales) from Matagalpa—live]

[Text] Approximately 700 men have been roaming the streets of Matagalpa, especially in the southern part of the city. At this time, tires are still burning in front of the house of Mr. Jaime Cuadra Somarriba, head of the Nicaraguan Institute for Repatriation, near the National Development Bank, and the Matagalpa municipal offices. There are about 300 people shouting slogans in front of those offices. Apparently they want to burn the municipal offices after they loot them.

We have toured the city, and we have seen that tires are burning on every street corner. These people are chanting threats against UNO [National Opposition Union] leaders. They have erected barricades around Dario Park, near the San Jose church; and next to the Royal Bar restaurant, at the entrance to the city of Matagalpa. The southern part of the city has been practically seized by these people. The only ones roaming the city are supporters of the Sandinist Front.

We went to the police headquarters to obtain information on whether there are reports of dead or injured, but they did not want to comment. According to a police lieutenant, they have received orders to remain inside their stations. Both the police and the Army are at their garrisons.

We also want to report that some vehicles of the Special Disarmament Commission have been moving around the city. The Sandinists are protecting them.

We believe the municipal offices will be burned at any moment. The watchman had to leave those offices because of the threats against him. Therefore, we believe that at any moment we will receive news that the municipal offices have been looted and burned. The people of Matagalpa are very worried about the situation here. There had been peace and calm in the city but now the situation has become quite difficult. Some members of the Nicaraguan Resistance have had to leave the city because they were afraid they would be killed. The situation is difficult. The UNO leaders are inside their homes, while others have had to leave the city. The city of Matagalpa has been practically occupied because the police and the Army are in their garrisons.

No Overnight Incidents Reported; Managua Calm

PA1011164991 Mexico City TIMEX in Spanish 1521 GMT 10 Nov 91

[Text] Managua, 10 Nov (NOTIMEX)—Managua was completely calm at dawn on 10 November. There were no important incidents overnight. Local newspapers carried headlined reports on the deeds of violence that shook the capital yesterday.

With prominent headlines and pictures, the Sandinist newspapers BARRICADA and EL NUEVO DIARIO highlighted the attack on the tomb of Commander Carlos Fonseca, founder of the Sandinist National Liberation Front, an attack that sparked the violent reaction of hundreds of residents.

"Desecration. Bomb Explosion at Carlos' Grave Fires People's Wrath," BARRICADA headlined in today's issue. EL NUEVO DIARIO ran and eight-column headline saying: "Somozist Attack and Sandinist Anger." In

turn, LA PRENSA, the anti-Sandinist newspaper, described the incident as an example of "Sandinist barbarism" and criticized the passive stand of the police.

The partial destruction of the Fonseca mausoleum in the center of the capital was followed by violent incidents that included the destruction of the Managua mayor's office, an attack on the offices of former contras, and the destruction of privately-owned and state- owned vehicles, also in Managua.

One group of people destroyed the transmission equipment of the anti-Sandinist radio stations Radio Corporacion and Radio Minuto. The airport was closed because of the alleged sabotage of the electric energy plants.

After staying away from the events, the police last night established a security operation with the Army. Meanwhile, Former President Daniel Ortega made an appeal to stop the violent actions.

These two facts apparently dissuaded the Sandinists from carrying out new actions during the night. There is a climate of relative calm this morning, a calm broken only by the hulks of burning vehicles in the streets.

Two Dead in Clashes Between Recontras, Recompas

PA101131991 Managua Radio Ya in Spanish 1200 GMT 7 Nov 91

[Text] Two recontras were killed in a fierce clash between armed groups in Las Nubes, San Sebastian de Yali, on 6 November. The fighting lasted approximately 60 minutes. Two members of the so-called recontras were killed. Meanwhile, nearby in El Guayabal and Rio Abajo, forces from the Luis Meta Moreno Column of the recompas [former Sandinist service who have grouped together to face the contras] disclosed that it had expelled recontra units, headed by Commanders El Invisible [Rodolfo Ampie] and El Punalito [not further identified], from their position.

Argentina

Menem Defends Deregulation, Criticizes Deputies

PY0811173491 Buenos Aires TELAM in Spanish 1354 GMT 7 Nov 91

[Text] Buenos Aires, 7 Nov (TELAM)—President Carlos Menem defended the deregulation policy promoted by his government because it will "give full freedom to the people." He criticized the Radical Civic Union [UCR] congressmen who did not attend the Chamber of Deputies session during which the bill was ratified.

Menem said: "I consider ridiculous those who say that we have created a commotion, that this freedom will only benefit wealthy people and will hurt the poor."

He added: "This policy will, on the contrary, help to equalize the burden. The limitations and the economic regulation only benefited the wealthy and powerful people, those who could resort to bribes or shady deals with officials in charge at that time."

In remarks to a radio station, Menem said: "This deregulation will grant full freedom to the people. We will all have in our hands the formidable instrument of freedom to choose and to understand, and consequently the terrifying law that was in force a short time ago in Argentina will no longer hinder the ability to decide."

Menem said: "The small fish will now have the possibility of defending himself from the permanent, offensive, and harming attacks of the big fish, provided there are still big fish in this period of full freedom. [no closing quotation marks as received]

Although "the principle of freedom is clearly established in the Constitution," he added that "the state will without disrupting that freedom, and based on the commercial loyalty, control some aspects so that they do not harm the majority of the Argentine people."

In reply to a question, Menem criticized the attitude of the UCR bloc of deputies who did not attend the Chamber of Deputies session to analyze the draft bill and to support the economic deregulation. He urged congressmen "to vote, work, and justify their salary which is paid by the people."

He said that the UCR deputies "were the only ones who did not attend the session." He added that a great sector, including almost all provincial parties, the UCeDe [Democratic Centrist Union], and other minor parties joined the Justicialist Party [PJ] bloc to analyze the draft bill."

Commenting on "the applause" during the vote held on 6 November at the Chamber of Deputies session—the result of the vote prevented congressmen from discussing the deregulation bill—Menem said: "Those who applauded are obviously those who did not attend the session."

During a meeting with the commercial and business chamber on 6 November, Menem said that an opposition deputy confirmed his bloc's decision not to attend the session. Menem did not identify the deputy but held him responsible for the "disaster" that Menem's administration inherited, considering that this deputy held a very important post during the final stage of the previous administration.

Menem said: "When congressmen analyzed the bill on the Austral Plan for the conversion of the old Argentine peso into the new Austral and the creation of new taxes, the PJ bloc, with complete loyalty, attended the session so that the law would be fulfilled."

He added: "The UCR bloc did not attend the session in which we gave freedom to the people and to the economy, and opened the possibility for Argentina to grow. We reduced 10 taxes. They should have supported our initiative. I do not know when this draft bill, which was submitted to Congress, will be discussed."

Menem said: "I want to emphasize that when voting for their representative, the people should take into account these attitudes, which may seek to save a personal or a party situation, so that they do not cause great harm to Argentina."

Replying to another question, Menem said that some polls "reveal that over 80 percent of the people approve" of the deregulation law promulgated by the government, that "10 percent reject it, and the rest are unaware of it."

He said: "The people are unaware of it because of a lack of explanation. They are unaware yet they say they have more freedom. People realize that now they can find lower prices, that they can find stores open at any hour. Freedom is the greatest triumph for a citizen in Argentina and elsewhere."

Commenting on the reason why on 5 November he visited the bishops' meeting in San Miguel, Menem said: "Following statements by some bishops, I decided to go to San Miguel to personally talk with them.

"I told them that I would meet them face to face and that I offered them my assistance. It was a very nice meeting," he said.

He denied having been affected by the statements of some bishops over the matter of "frivolity." He said that during his meeting with the bishops, he referred to the matter, and that Monsignor Sueldo made it clear that his statements on the issue were misinterpreted.

Menem said: [words indistinct] referred to the president, but that his words were used out of context.

Replying to a question, Menem said that he confirmed Brigadier Jose Julia, Air Force Chief of Staff, in his post. Menem said: "He is efficiently discharging his duties."

Asked about the importation of cars, Menem said: "We will discuss this issue and try to reach an agreement with the car manufacturers. We cannot harm an industry which has faced a difficult situation over the past few years as a result of inflation and hyperinflation."

He confirmed the designation of Maria Julia Alsogaray as the environmental secretary. He said that the issue of the environment is one of the most serious concerns of the governments. He then described himself as "one of the most concerned presidents over the ecological situation."

Menem also expressed satisfaction over the victory obtained in Montevideo by the River Plate soccer team, which defeated the Penarol team. He said: "River Plate performed well and Ramon Diaz, who was born in La Rioja Province, is an excellent soccer player."

Government States Position on Yugoslavia Crisis

PY1111013491 Buenos Aires TELAM in Spanish 2344 GMT 10 Nov 91

[Text] Buenos Aires, 10 Dec [as received] (TELAM)—The Foreign Ministry expressed its "deep concern about the situation prevailing in Yugoslavia" as well as "about the hardships that the Yugoslav conflict is causing for the people of that country. [no closing quotation marks as received]

The Foreign Ministry also noted that it has imposed "a unilateral embargo on arms sales" to that country and announced that it will take other measures, "urgently, in keeping with the guidelines established by the EEC with the only purpose of helping to bring about a prompt, acceptable solution to the crisis."

In a statement released tonight on the "Yugoslav situation," the Foreign Ministry said that the aforementioned decision was adopted "in light of the worsening situation and the lack of prospects for reaching an agreement that would stop the loss of human lives and the destruction of property" in Yugoslavia.

The statement added: "The Argentine Government considers it necessary to give as much support as possible to the efforts that the EEC, through The Hague conference, has been carrying out in Europe."

The statement reads that Argentina "endorses the need to refuse to recognize any changes in the current borders of the republics of the Yugoslav federation that could result—directly or indirectly—from the use of force."

The Foreign Ministry noted that "since the early stage of the crisis, Argentina has imposed a unilateral embargo on arms sales that the UN Security Council later made mandatory for all member countries."

Finally, the Foreign Ministry stated: "No attempt should be made to dispense with the unique role played by the United Nations through its organizations charged with maintaining international peace and security in creating conditions conducive to ending violence and in promoting negotiations that take into account desires for self-determination and the rights of minorities."

Menem Feels 'Protected' by U.S. Military Power

PY0811164291 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1313 GMT 8 Nov 91

[Text] Buenos Aires, 8 Nov (NA)—President Carlos Menem asserted today that he feels "protected" by U.S. military power. He explained, however, that he feels this way because the United States is a member of the United Nations.

He added that he feels protected "not by the United States, but by the United Nations, upon which the United States depends."

In comments published in today's issue of the daily EL CRONISTA COMERCIAL, President Menem said that his visit to the United States next week "will be historic," as a result of his government's work and because of the repercussions of this work in the United States.

He added that he "has been thinking" that the regionalization system being established in the world could be applied to Argentina, because the "resources of this blessed land belong to the entire Argentine people."

Again referring to his trip to the United States—which will begin on 12 November—he said that he will leave with "high expectations, in a really excellent atmosphere."

He added: "The U.S. community, its people, businessmen, and government are surprised at the changes occurring in our country and I would even say that they are aware that Argentina is entirely different today from what it was two years ago."

Asked whether the current relations between the United States and Latin American countries are being carried out bilaterally instead of between blocs, Menem replied: "The concept of regions, and not that of blocs, will predominate in the world."

He added: "The world is becoming regionalized. For Argentina, integration with four Latin American countries is regionalization; the Andean Pact is regionalization; Central America is also becoming regionalized; and Mexico, the United States, and Canada form a sort of third or fourth region in the American Continent."

Menem added: "I believe this should also be applied to Argentina."

"This is the first time I said it," he added, "but I have been thinking about regionalizing Argentina. We can no longer accept the existence of extremely wealthy provinces while others are entirely stuck for a lack of resources."

He added that Argentine resources "are not the property of a specific sector. The resources of this blessed land belong to the entire Argentine people."

He said: "Therefore, in the regionalization process that I am contemplating, wealthy provinces such as Cordoba will have to bear a heavier burden."

Asked about U.S. military superiority at the international level, Menem said: "In my opinion, it is positive because I feel protected. Not by the United States, but by the United Nations, because the United States depends on the United Nations."

He explained further: "It is positive because the United States is a member of the United Nations. If this organization did not exist, however, and the United States were an entirely independent, and not interdependent country, I would change my opinion."

Menem also denied that his administration aligned itself with the United States "to receive petty favors." He said he aligned with the United States "simply to feel at the same level, despite differences regarding economic and military power."

He asserted that in this sense, Argentina and the United States are negotiating at the same level. "We are not intensifying our ties just to receive favors or anything like it, mostly because I would not accept that kind of situation."

Asked whether he believed the United States had a more favorable attitude toward countries like Mexico and Chile, Menem answered: "Let us not discuss the issue under these terms. It would be better to talk about Mexico's relations with the IMF and the World Bank."

He added: "The United States represents an important factor, but the favors—if you allow me to say so—or the so-called favors or privileges allegedly received by Mexico were not received from the United States but from international organizations like the IMF, the World Bank, and the Paris Club."

Menem Comments on Idea of 'American Alliance'

PY1111115891 Buenos Aires TELAM in Spanish 1837 GMT 9 Nov 91

[Text] Buenos Aires, 9 Nov (TELAM)—President Carlos Menem said that resurrecting the idea of an American alliance is in keeping with "a strictly realistic strategy," because, under current historic circumstances, North and South Americans "are realizing that we need each other to step firmly into the next century."

The chief of state made a detailed analysis of Argentina's relations with the United States in a signed news article that will be published by the magazine ACTUALIZACION POLITICA [POLITICAL UPDATE], which will hit the streets some time next week. Javier Morino is the magazine's director.

Menem writes: "We Argentines have learned to appreciate the concept of alliance in a world where nobody is self-sufficient and the arrogant are condemned to extinction."

He adds: "As far as we are concerned, an ally is a nation with which we share ideals, interests, and the desire to actively participate whenever common destiny is at stake."

Therefore, the possibility of an American alliance, as the one General Peron [former Argentine President Juan Domingo Peron] contemplated as a daring idea, is a strictly realistic strategy and must define "geographical, political, economic, cultural, military, and social spaces."

Menem added: "The most important aspect of this new alliance is that it does not consist in begging the 'big brother' [preceding two words in English] for something he is not willing to give. In this particular historic moment, we, the North and South Americans, are realizing that we need each other."

He added: "None of the American countries that are negotiating free-trade or free-partnership treaties with the United States are asking for new money like the loans the U.S. Congress used to grant Central American friends in 1956 and 1957."

"We are now the ones to offer the possibility of consolidating an economic space that can both consume and produce in an integrated manner with the megamarkets, while competing with them for quality. We can, therefore, compete on equal footing with the regions that have already started to dispute international power."

Menem stated in his note: "Sooner than expected, the American Continent witnessed the blooming of administrations willing to make our region participate in the fascinating task of globalizing a civilization that is based on freedom and committed to developing its own potential."

He added that in this sense, President Bush's Americas Initiative that creates a free-trade zone between Alaska and Tierra del Fuego "is the first step but not the only one. Over the last three years, Argentina, Mexico, Chile, and Canada have been raising the need to transform the American Continent into an indestructible unit to face the challenge of universality."

Menem then stated: "It is clear to all that we are not seeking an uncritical alignment. We are trying to create a continental system of reaching decisions capable of transforming America in what it has been since it entered international history: a vanguard in the fight for freedom."

Historically analyzing Argentine-U.S. relations, Menem pointed out that Gen. Peron was daring enough to accept the challenge of establishing a real American unity. Time, however, "proved that prejudice prevailed over the serious analysis of historic events," he added.

"For decades, political leaders boasted about despising the 'gringos,' or chose to enjoy shameful relations with the United States that were based on the belief that to seek any type of alliance with Washington consisted in irreparably double-crossing national interests."

This mistaken concept is part of the past, Menem stated, because "at the moment of decision, no Latin American would choose to isolate the continent from the rest of the 21st-century world."

Menem said Argentina "has dared to break with the taboos of its foreign policy" and mentioned examples of this policy such as the decision to send ships to the Persian Gulf.

He explained that the new international order "will also benefit Argentina as we realize that the worst evil of this decade is not to participate in the fabulous adventure of building a universal civilization."

Menem Restores Financial Autonomy to Judiciary

PY1011222491 Buenos Aires BUENOS AIRES HERALD in English 9 Nov 91 p 1

[Text] (DYN-NA)—Catching nearly everyone by surprise, President Carlos Menem signed a decree yesterday restoring the financial autonomy of the Judiciary, which had been suspended by a similar measure just over a month ago.

"Judges and court workers can now improve their own situation on the financial front," said the President.

Losing no time at all, the Supreme Court released a resolution last night setting wage hikes between 85 and 150 percent for judges.

According to Resolution 56/91, members of the high court will collect a salary increase retroactive to last month amounting to some 5,400 dollars, while appeals judges will receive 4,000 dollars and federal court judges some 3,700 dollars.

According to court sources however, the resolution provides no salary increases for employees, but rather an appeal to the government for an eventual 15 percent wage hike.

Menem signed the unexpected decree during a visit he made yesterday to a home donated to the state by Supreme Court Chief Justice Ricardo Levene.

Located on Pacheco de Melo 2134 in this Capital, the residence once owned by the chief justice's father contains a valuable book collection and will be converted into a library.

Explaining his decision to allow the Judiciary to again set their own wages, Menem said "we settled our differences with the Supreme Court and the next move was clear."

He reminded that "the controversy arose when judges hiked their salaries to a level considered unacceptable by the government, which led to a series of difficult situations. [no closing quotation mark as published]

But, "we've buried the hatchet," Menem concluded. "It never came to blows."

Cavallo Comments on Economic Topics, Mercosur

PY1011011291 Buenos Aires TELAM in Spanish 1513 GMT 9 Nov 91

[Excerpts] Buenos Aires, 9 Nov (TELAM)—Economy Minister Domingo Cavallo announced that the specifications for the new bids on the San Martin and Urquiza railroads will contain less restrictions for foreign bidders and will be "clearer" in order to expedite the transfer of these branch lines. [passage omitted]

Moving on, Cavallo noted that a total surplus of about $1.5 billion is expected for the fourth quarter of 1991—about $550 million more than the third quarter's total surplus—that will serve to accumulate reserves to prepare the accounts for an integral foreign debt negotiation.

Cavallo said: "The 1992 [as received] third quarter surplus sufficed exactly for the debt's foreign and domestic interest payments. In addition to paying interest, the fourth quarter's surplus will serve to accumulate $400 or $500 million in reserves."

He added: "In addition to the IMF expanded facilities loan, the funds from the World Bank and the IDB [Inter-American Development Bank], and the funds to be granted by Japan's Eximbank, this money will allow us to accumulate a "maneuvering mass" ["masa de maniobra"] totaling about $4 billion in order to reach an integral agreement with our foreign creditors.

Concerning the Mercosur [Common Market of the South], Cavallo said that the idea of advancing toward such a common market stands. Thus, he downplayed the importance of Brazil's economic crisis and its impact on the possibility of implementing that integration strategy.

The economy minister trusts that Brazil will be able to reduce its inflation rate "if it tackles the fiscal issue." He compared the situation currently confronted by Brazilian Economy Minister Marcilio Marques Moreira to the one confronted by then Argentine Economy Minister Antonio Erman Gonzalez during the first quarter of 1990.

In conclusion, Cavallo supported the Senate's decision to abolish the Comfer [Federal Committee for Broadcasting] within the framework of deregulation in the field of radio and television, and pointed out that this measure was foreseen in an executive branch decree.

Gonzalez on Armed Forces Antidrug Efforts

PY1111133491 Buenos Aires TELAM in Spanish 1750 GMT 9 Nov 91

[Text] Buenos Aires, 9 Nov (TELAM)—Defense Minister Antonio Erman Gonzalez said that the Armed Forces must not become involved in the antinarcotics struggle although "nothing prevents them from giving technological assistance." He said that his ministry is responsible for this task in two [number as received] aspects: "prevention, investigation, intelligence, and direct confiscation of drugs that may be found."

Gonzalez added that Argentina "is no longer a transit country" for drugs, but "a lot of drugs are staying here and consumption has increased."

He said that the antinarcotics struggle must be in charge "of the two security forces; the prefecture; the border police; the federal police; and eventually the Armed Forces though technological assistance."

He said that "when I was installed, the actions to prevent and attack the drug-trafficking subject were a bit dispersed," which "made it necessary to create an organization within this ministry" to coordinate this task with the Drug Prevention Secretariat dependent on the Presidency.

"This coordinating organization that works in the Defense Ministry includes the prefecture and border police, and each operation carried out under their command is conducted or ordered by a judge."

"This means that none of these forces may act alone, not even indirectly, except under the specific order of a judge, although they are permanently carrying out investigations and intelligence tasks to detect the movements and actions of people involved" in drug trafficking, Gonzalez said.

In this manner, he said, "the root of the problem" will be attacked, meaning "not only the consumers or drug traffickers who bring the drug, but also those who command them, the real 'heads' of all the operations."

In statements made this afternoon to the television program "Women's Chamber" transmitted by ATC [Argentina Televisora Color], Gonzalez admitted: "There has always been a controversy over what should be the Armed Forces' role and whether or not they should become involved in the antinarcotics struggle."

"We have perfectly well defined the Armed Forces' role, which is that of a military instrument defending national sovereignty; therefore, they have no jurisdiction over internal actions," he said.

However, he added, "this does not prevent them from giving logistics support when the security forces require help, like, for example, radars, airplanes, or any element to quickly move a force."

In conclusion, Gonzalez stressed the importance "of the training courses" taken by security forces personnel so that they may carry out this task for which, he added, "we have the direct assistance of the U.S. DEA."

Brazil

Government System Amendment Bill Rejected

PY0811125891 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Nov 91 p 91

[Text] Brasilia—The amendment seeking to bring forward the referendum on the system of government to April 1992 was rejected. Rejected by just three votes during a second voting session, the amendment—sponsored by Senator Jose Richa (PSDB [Brazilian Social Democracy Party] - Parana)—did not succeed thanks to an afternoon offensive by Justice Minister Jarbas Passarinho.

The minister is the government's political coordinator. He telephoned Senator Richa to tell him that he was promoting a withdrawal of lawmakers from the plenary session, thus reversing the guaranteed neutrality that President Fernando Collor promised until the day before the vote. At 2045, the electronic board displayed the votes of 46 senators in favor and 13 against. During a first vote, two weeks ago, the result was 53 to 15.

"If the amendment were approved, no one could prevent the immediate implementation of parliamentarism," said Passarinho, recalling that the CUT [United Federation of Workers] already advocated the immediated implementation of parliamentarism. "That argument does not do justice to your intelligence," Richa ironically replied to the minister. The senator confirmed that the parliamentary system of government—if approved by the referendum—will be implemented after the conclusion of the Collor administration. He recalled that the day before, Collor said he was "calm" concerning the possibility that his mandate may have been shortened.

"This was a low blow from the government, and the minister's attitude was not ethical," Richa said shortly before the vote. He was preaching political understanding, but now has threatened to adopt a radical opposition stance. "The government will bear the burden of radical opposition," he said, adding that "I would like the government to break under the presidential system." As a last effort to guarantee the 49 votes that were needed for approving the amendment, Richa said: "We will be closing the doors on the only possibility of justification for the government."

Senator Fernando Henrique Cardoso (PSDB - Sao Paulo) added: "Holding the plebiscite earlier would open a path toward understading."

The effects on the group that supports the parliamentary system were even more drastic, although their members admitted the possibility of calling the plebiscite on a new date, September 1992. Many deputies and senators of this group believe that the parliamentarian thesis was harmed. Said Richa: "The defeat of the amendment unleashed the presidential succession process."

During a tense voting session, pro-parliamentary system lawmakers managed to obtain the support of three more senators just before the vote. Those three are Eduardo Suplicy (PT [Workers Party] - Sao Paulo); Jose Paulo Bisol (PSB [Brazilian Socialist Party] - Rio Grande do Sul);, and Amazonino Mendes (PDC [Christian Democratic Party] - Amazonas).

Opposition Reacts to Richa Amendment Defeat

PY1211001291 Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Nov 91 Section 1 p 8

[Report by Gustavo Krieger and Tales Faria]

[Text] Brasilia—The defeat of the Richa Amendment Project prompted a radicalization of the political split in Congress. The opposition parties are threatening to respond to the rejection of the Richa Amendment Project with opposition to the Big Amendment Project [Emendao] and tax reform proposals. The government has lost credibility by opposing the amendment project after promising neutrality.

Government leaders in Congress already warned Justice Minister Jarbas Passarinho that his actions against advancement of the plebiscite will hamper approval of the government projects. They fear that negotiations between the PSDB [Brazilian Social Democracy Party]; the PMDB [Brazilian Democratic Movement Party]; and the PT [Workers Party] will be accelerated by an estrangement between the PSDB and the government.

On the evening of 4 November, when Passarinho reported that he would work against the amendment, they asked the government to accelerate negotiations with the so-called independent parties (the PL [Liberal Party]; the PDS [Social Democratic Party]; and the PTB [Brazilian Labor Party], among others).

The strategy now is to try to prevent a real split between the government and the PSDB. Humberto Souto (PFL-MG) [Liberal Front Party - Minas Gerais], the government leader in the Chamber of Deputies, stated that "the government did not oppose the Richa Amendment Project in the Senate." He said he is "certain that the PSDB will be free to evaluate the moment in which it must vote with the government in the country's interests."

The government's economic stabilization program depends on measures such as the fiscal and tax reforms and the proposals for economic modernization and the opening of the Brazilian economy to foreign capital, which must be approved by Congress.

The PSDB and the PMDB have enough power to influence voting on these proposals; the two parties have 152 federal deputies and 35 senators. They are more powerful than the government bloc (the PRN [National Reconstruction Party] and the PFL).

Deputy Ulysses Guimaraes (PMDB-Sao Paulo) said: "The president is closing the doors to governability." PT leader Jose Genoino (PT-Sao Paulo) said: "The government has dispensed with the PSDB." The party is coordinating a meeting between its president Luis Inacio Lula da Silva and PSDB president Tasso Jereissati.

Yesterday's Senate session was the first indication of the new atmosphere of hostility. During his two-hour speech, Senator Pedro Simon (PMDB-Rio Grande do Sul) was interrupted by representatives of all the opposition parties, who criticized the government.

Economy Minister Cites Slowdown of Inflation

PY1111161691 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Nov 91 Economic Section p 1

[Text] Rio de Janeiro—Although the heavy rain did not allow Economy Minister Marcilio Marques Moreira to go for a walk along the Ipanema beach, he seemed in good spirits yesterday when he said that inflation was showing signs that it might go down. He explained that he had received reliable information about this trend from the Brazilian Institute of Geography and Statistics and the Getulio Vargas Foundation. "Inflation will begin losing ground soon," he said. He added that interest rates will be reduced only after a significant drop in inflation.

He said that the loss of inflationary momentum proves that "free negotiations are having a positive effect, especially in the more modern activities." Marques made it clear that he has no disagreements with Central Bank President Francisco Gros concerning the establishment of adjustment indices for the country's economy.

During the interview he gave after leaving his apartment to go to the tailor, he explained that both Gros and himself believe it "appropriate to establish adjustment indices for certain areas of the financial market to avoid exacerbating inflation." Meanwhile, the lowest salaries, up to three times the minimum wage, will continue to be adjusted to inflation.

The slowing down of price increases, however, has not prompted the minister to reduce the TR [referential interest rate], which was set at 30 percent for November. "This rate will reflect the market because it is an overall rate," Marques explained. He was scheduled to lunch with Daimler-Benz Board Chairman Elizard Reuter on 10 November.

Marques declined to predict the inflation rate in November. One of the journalists asked whether the 30 percent TR would give investors a real profit of 2 or 3 percent. "Good figures," the minister replied.

Infrastructure Minister Comments on Privatization

PY1111223291 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Nov 91 Economic Section p 3

[Interview with Infrastructure Minister Joao Santana by O ESTADO DE SAO PAULO reporter Alberto Tamer in Rio de Janeiro on 6 November]

[Text] [Tamer] Minister, how do you see the current situation of the state monopoly of Petrobras [Brazilian Petroleum Corporation]?

[Santana] It is nefarious and negative for Petrobras itself. By 1953 it was decided that Petrobras should be a

petroleum company only to prove that Brazil has petroleum. Contrary to other countries, our monopoly preceded any oil discovery. With that perspective, the monopoly was essential to creating Petrobras in the 1950's. In the 1960's, this monopoly was very important. In the 1970's, it was only important. In the 1980's, it had no importance. And, in the 1990's, it has become harmful for Petrobras. The whole world is opening up. Competition and good performances are essential guidelines in any country's economy. Today it was discovered that a monopoly is not the best choice. If Petrobras maintains this monopoly, it will, first, encounter difficulties in entering the international market. Second, Petrobras is delaying its self- sufficiency within the Brazilian market itself because of its inability to generate resources and create private associations.

[Tamer] The Constitution says that the monopoly belongs to the state...

[Santana] There are two articles in the Constitution. The first says that the monopoly belongs to the state. The other says that the petroleum monopoly can only be exercised by a national company that is controlled by the state. That company is Petrobras. Theoretically, we could even create a second company, but that would be nonsense.

[Tamer] You said once that the petroleum must be ours again because at the moment it belongs to Petrobras...

[Santana] That is correct. If I have a monopoly on some wealth, I have the right to make use of it as I wish. Today, the petroleum is not ours; it does not belong to Brazilian society because I cannot make use of that wealth as I wish. Here is an example: In the Todos os Santos Bay in Bahia, Petrobras shut down 100 low-level petroleum wells because it had no economic interest in exploiting them. Large international companies are not interested in them either. If the market was free, surely there would be small- or medium-size private companies interested in them. And they could probably get some 100, 200, 300, or 500 barrels daily. I would like to recall the old scene in U.S. movies: The man is seated on his porch while an oil pump in the backyard extracts 300 or 400 barrels of petroleum daily. Almost 40 percent of the petroleum production in the United States comes from small wells.

[Tamer] What is the Collor government's stance on this?

[Santana] The government stance is very clear in the Big Amendment Project: The state monopoly prevails, but it allows research and exploitation activity be carried out by concessions, which are not necessarily granted to Petrobras. In the case of refining, our position is even more open. Not even a concession is necessary, only an authorization. Why this difference? Refining is an industrial activity like any other, while transport is a matter of service.

[Tamer] Does this mean Petrobras will stop exercising a full monopoly?

[Santana] Yes; however, it will maintain—after approval of the project—the reserves that it is already exploiting. It will have to compete in other activities with private companies of differing size, including an association with the private sector...

[Tamer] Will the problem of a lack of resources be solved then?

[Santana] If Petrobras has difficulty in attracting resources, why should it depend only on the price, on profit, or on a Central Bank loan? Why not seek an association with Shell, Esso, or Texaco?

[Tamer] Why doesn't the government decide on the establishment of joint ventures without hampering the monopoly?

[Santana] It is possible in the field of research through a subcontract. There is a tough legal discussion on this. There are people like myself who believe that such an association is legally possible. Another group believes that it is not possible. I have already ordered more thorough and more urgent studies on this. As soon as they are ready, we are going to implement them. Here at the Petrobras presidential hall, in this interview, the advice I give Petrobras is this: Diversify and invest capital, join other companies. This is the order to be fulfilled.

[Tamer] Have you already transmitted this guideline to Petrobras?

[Santana] I represent the government, the majority shareholder. I gave this guideline in a recent board meeting. This can be done immediately in projects such as gas.

[Tamer] Minister, the Petrobras president just said that not everything was invested last year because of the company's ineptitude. How do you view that?

[Santana] Any state and monopolistic company is slow in its business activity. It does not have the ability to spend its available resources because decisions are made very slowly. There are political and administrative pressures from all sides. Since the system is monopolistic, Petrobras is not in a hurry. Meanwhile, we continue to import $4 billion worth of petroleum. If there were no state monopoly on petroleum, we could currently have different types of gasoline. This was another instruction I gave the Petrobras board today. The state will probably take action to demand a minimum standard on price, environment, etc. If more than that is achieved, excellent.

[Tamer] The difference between the past and present situation is that in 1973 and 1979 we still did not have oil. Now, we have almost 3 billion barrels, but we still lack resources to exploit more and we are not producing enough oil to supply the internal market. What if another crisis occurs?

[Santana] Oscillations are currently smaller because there are now oil markets. The speculation is very great.

[Tamer] Will we be self-sufficient by 1994?

[Santana] The guidelines I gave Petrobras make me believe that we may reach 1994 with a production of a million barrels per day.

[Tamer] But demand will then be at around 1.5 billion.

[Santana] We foresee reaching 1 million barrels per day in 1994, not self-sufficiency, which could be attained in seven more years—that is, by 2001.

[Tamer] How did the Petrobras management react to the new government guidelines?

[Santana] I think it is the beginning of the end for the monopoly. We will fight for its end through the Big Amendment Project. If that is not possible, we will work hard for it to occur in 1993, when the constitutional amendments will be reviewed. If it does not happen sooner or later, it will be finished by the end of the decade. That is the global trend. There are currently many people inside Petrobras who think that the monopoly may be harming the company. I said: If you think a monopoly is essential for the company's survival, let us discuss it politically.

[Tamer] Don't you think the Petrobras lobby [preceding word in English] will win in Congress?

[Santana] I think the situation has changed. Not long ago I sent a delegation to the global oil congress in Argentina. They all came back with a new mentality. I have seen recent research studies by several oil institutes and associations that were presented during the congress that show an absolute majority of the oil congress attendees were against the telecommunications and Petrobras monopolies.

[Tamer] Minister, international investments in oil-producing countries are currently being made with a great deal of intensity. Will we be left out of this opportunity?

[Santana] No. This is why President Collor and I are fighting for the end of this monopoly. Either we quickly change this situation in the field of oil, telecommunications, and mining or that capital will be invested somewhere else on a daily basis. We want the oil to become ours again. We must have the freedom to control that wealth in the way we want. I repeat the words of former President Castelo Branco: Whoever has the capacity to compete, whoever is competent does not need a monopoly. Whoever does not have that ability, does not deserve a monopoly. The old principle of "the essential strategy for development" that was so much discussed is a fantasy. If it were true, the United States would be a small country. The Americans never had a state monopoly on oil. Who was the great inventor and example of monopoly? The USSR in the 40's and 50's. Now, it is currently running after the rest of the world's money.

[Tamer] What if Petrobras does not shape up?

[Santana] The majority shareholder will exert his right as such. People have voiced the criticism that Petrobras has changed its management too many times during the Collor administration. We will make as many changes as necessary in order to make the largest shareholder's voice heard. He wants these two decisions to be obeyed. He wants an end to the public oil monopoly.

Third State-Owned Company Privatized in Auction

PY1111235091 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 11 Nov 91

[Report by Niomar de Oliveira from Rio de Janeiro]

[Text] Railway Equipment, Inc., Mafersa, was sold for almost 36 billion cruzeiros. This is the third state-owned company to be privatized during President Collor's administration.

The auction lasted only 45 minutes and surprised all who were interested in it because the sale price was 161.4 percent higher than expected. Mafersa is the third state-owned company to be privatized by the federal government in an auction. The company, which manufactures railway cars for sale in Brazil and abroad, was purchased by the Private Welfare Group of the Federal Railway [Previdencia Privada da Rede Ferroviaria Federal—Refer]. The group was represented at the auction by Primus Brokers.

In a news conference after the auction, Eduardo Modiano, BNDES [Social and Economic Development Bank] chairman, and the presidents of the Rio de Janeiro Stock Market and of Mafersa expressed their satisfaction with the successful and swift sale of Mafersa. They were particularly satisfied with the tranquillity of the process and the high price obtained for the company.

Mafersa is the third state-owned company to be sold by the federal government. The privatization program being implemented by the Collor government began with the sale of Minas Gerais Iron and Steel Mills, Inc., which was sold for 709.632 billion cruzeiros; this was followed by the sale of Celma [Electromechanical Company], which was sold for 61 billion cruzeiros.

On 14 November, Cosinor [Northeastern Steel Company] will be auctioned. The minimum price for its sale is 9.138 billion cruzeiros.

Army Postpones Acceptance of Materiel Bid

PY1111174891 Rio de Janeiro O GLOBO in Portuguese 9 Nov 91 p 1

[Text] The Army Ministry did not approve yesterday the bids to purchase 130 billion cruzeiros worth of uniforms and bed and bathroom linens for its 218,000 troops all over the country, contrary to what it announced earlier. National Accounting Office (TCU) Auditor Fernando Goncalves, who is heading the investigation of O GLOBO's accusation of overcharging, recommended that approval be suspended until the audit is finished.

The official explanation of General Nialdo Neves, head of the Army Social Communications Center (Comsex),

was that the Economy Ministry had not released part of the money to pay for the purchase, an additional credit for 64 billion cruzeiros.

Despite the remarks of General Iris Lustosa, General Services Department director, to the effect that the bids would be approved on 8 November whether or not the TCU concluded its investigation, the postponement implies, in fact, that the Army chose to wait for the TCU to finish its work.

Harvest Expected To Be 'Greatest in History'

PY1111162891 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Nov 91 p 1

[Text] The state secretaries for agricultural affairs who held their National Forum in Sao Paulo on 8 November confirmed that in 1992 Brazil will have one of the greatest crops in its history: more than 65 million metric tons of grains. Agriculture Minister Antonio Cabrera said: "It will not be necessary to import foodstuffs." This year Brazil purchased 7 million metric tons of foodstuffs abroad. The expansion of sown land attributed to the greater availability of credits was confirmed by several figures: The use of diesel oil broke all records in October, the month in which soil is tilled in central and southern Brazil; and the sale of harvesters increased by 234 percent compared with the same month in 1990.

Chile

Salaries of Public Workers To Be Adjusted

PY0911175691 Santiago Radio Nacional de Chile Network in Spanish 1000 GMT 9 Nov 91

[Text] The government will adjust the salaries of public workers by 18 percent as of 1 December. The adjustment was decided on at a meeting between the finance, economy, and labor ministers and United Labor Federation [CUT] leaders.

Minister Carlos Ominami released the details:

[Begin recording, in progress] ...to adjust the salaries of public workers by 18 percent as of 1 December 1991. Two, to establish a Christmas bonus of 9,700 pesos for public workers whose net income is equal to or less than 88,000 per month, and 4,800 pesos for public workers whose income exceeds this figure. [end recording]

Ominami said the government will also propose a Christmas bonus for pension earners, but did not specify any figure. It was also said that unemployment compensation will be adjusted by 18 percent, that is, 10,620 pesos per month for the first three months of unemployment. The officials also agreed on an amount for expense allowances in national currency in order to make them compatible with real food and housing costs. The government will also send Congress a bill eliminating obstacles for workers who were members of the old social security system to retire with pensions that are more in accordance with their salaries.

CUT President Manuel Bustos said that negotiations were positive considering that for the past 17 years, public employees did not have access to this type of negotiation.

Municipal Reform Amendment Approved by Congress

PY1011225091 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 9 Nov 91

[Report by Jose Ignacio Aguirre report from Valparaiso]

[Excerpts] After one and a half years of strenuous negotiations between the government and the opposition, Congress finally approved—by an overwhelming majority—the constitutional amendment that will allow mayors and municipal council members to be democratically elected.

The session at which the constitutional amendment was approved was attended by 143 senators and deputies, and the government was represented by Interior Minister Enrique Krauss. Various lawmakers stated that counties and districts will gain political and economic autonomy, expediting the country's decentralization.

Lawmakers from the Coalition of Parties for Democracy noted that, although it was not the best possible amendment, they had to accept it in order to end, once and for all, the system of government-appointed mayors. [passage omitted]

The number of municipal council members will always be an even number but it will vary according to the county's population. The councils will appoint the mayor.

The Independent Democratic Union approved the amendment but rejected the restriction preventing those who are elected councilmen from running in the 1993 congressional elections. [passage omitted]

In the end, 132 congressmen voted for municipal reform; nine members of the opposition abstained; and two senators appointed by former President Pinochet, namely, Santiago Sinclair, former Army commander in chief [as heard] and Admiral Ronald McIntyre, retired, voted against municipal reform.

Approval of this constitutional amendment will allow the citizenry to democratically elect municipal officials for the first time in 20 years.

Silva Begins Taxation Meeting With Switzerland

PY1111172491 Santiago Radio Chilena Network in Spanish 1600 GMT 11 Nov 91

[Text] During his second day in Switzerland, Foreign Minister Enrique Silva Cimma began negotiations to sign an agreement on double taxation with Switzerland.

Silva also probed the possibility of probable Swiss participation in the government-sponsored public works investment projects. He also expressed gratitude for a mixed credit granted to Chile and for the Swiss contribution to favor the return plans of Chileans living in this country.

This afternoon, Silva will go to Austria, where he will meet Vienna officials.

On 14 November, Silva will arrive in Denmark. This will represent the first visit by a Chilean foreign minister to that country. In Copenhagen, he will meet with his liberal Danish counterpart, the prime minister, and about 600 Chileans who were granted political asylum in Denmark during the military government.

Within the framework of his European tour, Silva will also visit Sweden, Norway, and Finland.

Rojas Says 1992 Army Budget Contains No Deficits

PY0911183491 Santiago Radio Nacional de Chile Network in Spanish 1000 GMT 9 Nov 91

[Text] Defense Minister Patricio Rojas said that the 1992 Army budget does not have any operational deficit and that the institution will fulfill its duties. Rojas said that General Pinochet approved the budget, which has restrictions due to the country's limitations. Rojas was referring to Gen. Pinochet's remarks that the budget was insufficient. Rojas said that the remark was rather hasty.

[Begin Rojas recording] That is a frequent impression among chiefs of institutions. The government can never satisfy all needs. I spoke with Gen. Pinochet and he understands that all institutional needs of the Army will be cared for. The budget that is sent to Congress does not contain any operational deficits. The Army will fulfill its mission and Gen. Pinochet approved the budget and is aware of the country's limitations. [end recording]

Rojas said that during his meeting with Gen. Pinochet, it was clearly understood that all Army needs will be cared for. Asked if it was true that the murderers of Tucapel Gimenez, a labor union leader, were Army officers who are still in active duty, Rojas said he did not have any information on the matter and that he will release information as it becomes available. Rojas also said the reorganization of the Carabineros command for 1992 will conclude in the next few days.

Air Force Group Returns From Persian Gulf

PY1111152891 Santiago Radio Nacional de Chile Network in Spanish 1000 GMT 11 Nov 91

[Text] The First Chilean Air Force [FACh] Group, comprised of 25 officers, returned to our country after participating in a UN-sponsored peace and logistic support mission at the Iraqi-Kuwaiti border.

The Chilean officers stayed in the Persian Gulf for more than six months. They were met yesterday by their relatives and FACh officers, who were deeply moved.

Group Commander Ricardo Kleemann said the mission was evaluated as excellent. I believe that the United Nations did not expect us to carry out the task as we did, he said.

The task was carried out without any problems with our helicopters; our means and logistic capabilities; and without depending on anything or anyone, the group commander said. Therefore, the evaluation made before our return was really good, Commander Kleemann noted.

Last week, the FACh sent a new Chilean mission to the Middle East. This mission will carry out a similar task in the area until April 1992.

Bank Actions Seek To Promote Financial Activity

PY0911173291 Santiago Radio Nacional de Chile Network in Spanish 1000 GMT 9 Nov 91

[Text] According to economic officials, the lowering of interest rates and the slight increase in the dollar price generated new expectations for increased investment and exports.

Finance Minister Alejandro Foxley said that the Central Bank measures seek to prevent the entry of speculative capital, promote exports, and increase investment.

The Central Bank lowered interest rates from 5.7 percent to 5.2 percent for 90-day Central Bank notes. That measure should induce the market to follow suit. According to Foxley, the change was prompted by the need to maintain a certain link with international rates, especially those of the United States, where interest rates also dropped. This will discourage the entry of foreign and temporary speculative capitals, Foxley said.

The Central Bank also adjusted the dollar price. That measure should permit a recovery of the dollar's value, which dropped 20 percent over the past two years. The situation primarily concerns exporters and those who produce substitutes for imports. The average official dollar value increased by two pesos yesterday. It is presumed that the dollar will recover almost nine percent of its real value in a year. This will help exporters.

Foxley added that the measures will encourage foreign investment and help increase our exports.

Senator's Murderer To Be Extradited From Spain

PY0911134291 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 8 Nov 91

[Text] The UDI [Independent Democratic Union] announced that on 12 November, Spain will officially grant the extradition request for Sergio Olea Gaona, for whom an arrest warrant was issued in Chile for the murder of Senator Jaime Guzman.

Joaquin Lavin, UDI secretary general, and lawyer Miguel Alex Sweitzer met with Foreign Minister Enrique Silva Cimma. After the meeting, they said the Foreign Ministry will proceed as quickly as possible once it receives the request from the Supreme Court. Lavin said that once the extradition request is made, everything will depend on Spain since the Spanish court,followed by the Spanish Council of Ministers, must decide on the extradition.

Meanwhile, Silva reported that diplomat Benjamin Concha was appointed Chilean consul general to Cuba, a post he will take over next January.

Regarding the expulsion of Korean citizens from Chile, Silva said that Chile maintains an open policy on foreigners who want to enter Chile.

[Begin Silva recording] Our country does not maintain any criteria or strict restrictive clauses regarding foreigners. We are a long way from that; however, we base ourselves on the principle that just as Chileans who are abroad must respect the internal laws of the country they are living in, foreigners must also respect our laws when living in our country. [end recording]

Tomorrow, Silva will begin a tour of six European countries at the head of a delegation made up of economic officials. The main objective is to promote trade and foreign investments in Chile.

Argentine Official Seeks Economic Integration

PY1111144091 Santiago Radio Nacional de Chile Network in Spanish 1000 GMT 11 Nov 91

[Text] Jose Octavio Bordon, the governor of the Argentine province of Mendoza, said that despite the opposition of some sectors, especially the large rural property owners, the vast majority of Chileans and Argentines support bilateral economic integration.

Bordon paid a short visit to our capital during which he met with President Patricio Aylwin. During his visit, Bordon called as a victory the fact that the two countries decided to subject the Laguna del Desierto border conflict to international arbitration.

The Mendoza governor visited Santiago in order to promote his province's economic integration with Chile. He said that joint ventures are required for integration to advance.

Jose Octavio Bordon, who must relinquish his post 11 December, made these remarks shortly before leaving our country.

Mendoza Governor, Aylwin Discuss Agrarian Policy

PY0911214691 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0934 GMT 9 Nov 91

[Report by special NA correspondent]

[Excerpt] Santiago, 9 Nov (NA)—President Patricio Aylwin "explicitly" mentioned to Mendoza Governor Jose Bordon the Chilean agricultural sectors' resistance to the entry of Argentine fruit and horticultural products. In his conversation with Bordon, however, Aylwin also emphasized that the process of economic integration between the two countries "is inexorable."

Bordon transmitted this to journalists at La Moneda Palace, Chile's seat of government, after meeting with Aylwin yesterday. Rodolfo Gabrielli, the [words indistinct], also participated in the meeting.

Speaking to the news agency NOTICIAS ARGENTINAS, Bordon said: "President Aylwin understands that Argentina's efforts and breakthroughs in the transformation of its economy, the state, and its relations represent a special support and a guarantee for the process of integration with Chile."

The Mendoza governor also met Foreign Minister Silva Cimma and held a news conference at the Argentine Embassy. [passage omitted]

Demonstration for Political Prisoners Disbanded

PY0911163091 Santiago Radio Nacional de Chile Network in Spanish 1000 GMT 9 Nov 91

[Excerpts] Police used water cannons to disband demonstrators who staged a violent rally demanding freedom for political prisoners in front of La Moneda Palace.

The incident began when some 250 to 300 people—members of human rights groups, relatives of political prisoners, and Communist Youth militants—arrived at Government House shouting slogans. A smaller group expressed its intention to deliver a letter to the government. The demonstration was interrupted by a student ceremony in front of La Moneda Palace that was being observed by Mrs. Leonor Oyarzun de Aylwin from a balcony.

Carabineros began to clear the area when one demonstrator, Mrs. Casanelas, shouted at Mrs. Aylwin to release her imprisoned husband. Ramon Casanelas is on a hunger strike in a Santiago prison.

The incident provoked the first disturbances. Then, when everything appeared to return to normal, some 50 demonstrators sat down in Constitution Square and continued shouting. A water cannon truck entered the picture after police negotiations and dialogue failed to moved them.

The doors of La Moneda were closed during the incident. Interior Under Secretary Belisario Velasco said 21 individuals were arrested during the incident and they will be released later. Velasco, who walked outside to watch the incident, blamed demonstrators for the disturbances, pointing out that demonstrations must be carried out in accordance with the laws.

Youth Rights Committee President Jose Antonio Sabat, a Christian Democrat, charged Carabineros with provoking the disturbances, adding that the police arrested more than 60 people. [passage omitted]

Prison Director Isidro Solis said prison police were authorized to subject the so-called political prisoners—who were on a hunger strike for 41 days—to medical care. Solis made this remark after the Supreme Court approved a petition authorizing prison police to protect the strikers' lives. Solis also said that Rodrigo Morales, who is detained at the Central Police Station, lifted his hunger strike because his condition was critical and his life was at risk.

The court measure authorizing the prison police to give strikers medical care will take effect today and will be in effect for as long as prisoners continue their strike.

Ramon Casanela, Juan Ordenes, and Guillermo Rodriguez are the prisoners involved in the strike at the prison. They were taken to Salvador Hospital where, according to Prison Director Solis, the prisoners will receive appropriate treatment.

The three prisoners, however, refused to accept the Supreme Court decision and said they will continue their hunger strike at the hospital. The prison police director said that doctors treating the prisoners will be responsible for their medical situation because prison police duties only include guarding them. Solis said that political prisoner Rodrigo Morales—who is at the Central Police Station with Miguel Angel Colina—had to end his strike because police and human rights doctors certified that he had a neurological condition that could kill him in a few hours.

Earlier, Hugo Marzano ended his hunger strike after doctors certified that he had heart problems.

Meanwhile, Interior Minister Enrique Krauss said that demonstrations staged by political prisoners' relatives to pressure the government will lead nowhere.

[Begin Krauss recording] Their efforts should concentrate on speeding up legal proceedings. These pressure measures, the disturbances, do not have a clear objective and are not appropriate. They will not reach the desired objective of solving the prisoners' situation. The government and, particularly, President Aylwin were very concerned with the matter since the beginning of his administration. [end recording]

The interior minister was glad the situation was overcome because it was a worrisome burden on the government. Krauss talked briefly with reporters following the disturbances in front of La Moneda Palace to protest the political prisoners' situation. Meanwhile, inside Government House it was announced that the prisoners said they will end their strike. [sentence as heard]

Hunger Strikers' State 'Critical'

PY1111030091 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 10 Nov 91

[Excerpt] The condition of four political prisoners who are on a hunger strike and who have been hospitalized at Salvador Hospital was described as critical.

The strikers who are guarded by prison security personnel, were visited today by their relatives and by (?court clerk) Mariana Fernandez, who said that the prisoners persist in continuing their strike despite court decisions ordering them to take food.

The secretary general of the Santiago Branch of the Medical Association remarked again that although the four prisoners remain fully conscious, their lives are in danger due to their extended fast. [passage omitted]

Poll Shows Increasing Support for Administration

PY0811213691 Santiago Radio Chilena Network in Spanish 1600 GMT 8 Nov 91

[Summary] According to a poll last month by CEP [Center for Political Studies] and the Adimark Company, Eduardo Frei, Francisco Javier Errazuriz, and Ricardo Lagos are the preferred candidates to succeed President Patricio Aylwin if elections were held now. More than 1,200 people older than 18 were polled in the towns of Antofagasta; Valparaiso; Vina del Mar; Concepcion; Talcahuano; and Greater Santiago. The poll shows that 52.7 percent of the people support the current government's administration, compared with July 1991 when only 49.8 percent supported the government. This shows that public confidence in the government is increasing. Only 13.6 percent disapprove of the government. President Aylwin is still the preferred people's candidate, although this preference dropped from 76 percent in March to 68.3 percent in October. Frei is the second preferred candidate; his preference increased from 56.2 percent in July to 66 percent in October. Gabriel Valdes, Alejandro Foxley, Andres Zaldivar, and Ricardo Lagos follow as the other preferred candidates.

Correa Comments on 28 Oct Terrorist Attacks

PY0811150091 Santiago EL MERCURIO in Spanish 30 Oct 91 p C1,6

[Report by Hernan Cisternas Arellano]

[Excerpt] Valparaiso—Enrique Correa, minister secretary general of government, stated that the wave of attacks that occurred on the night of 28 October in Santiago and Vina del Mar "was an exception" that has to be energetically stamped out.

Correa stated that the government is making a "constant daily" effort "to put an end to terrorist actions. We have had important successes."

He said: "We are in no way experiencing the very serious terrorist actions of the past, including some very serious political violence."

Correa aid: "This is a country of peace, a country where actions such as these are an exception. They are an exception and we want to do away with them, we want to energetically stamp them out. On a daily basis we will strengthen the actions of the police, both the Carabineros and the Investigative Police." [passage omitted]

Colombia

Cabinet Reshuffling Yields Seven New Members

PA0911012791 Santa Fe de Bogota Inravision Television Cadena 2 in Spanish 0000 GMT 9 Nov 91

[Text] Attention. The awaited cabinet reshuffle finally occurred 8 November. The president appointed seven new members of his cabinet, which is now composed as follows: nine Liberals, two Independent Conservatives, one from the National Salvation Movement, one from the new Andres Pastrana New Democratic Force, and one from the M-19 [19 April Movement]. Who are they? These are the new ministers:

Agriculture Minister	Alonzo Lopez Caballero, current ambassador to Paris
Development Minister	Jorge Ospina Sardi, former national planning director
Mines and Energy Minister	Juan Camilo Restrepo, current president of Paz del Rio Steelworks
Foreign Trade Minister, a new ministry	Juan Manuel Santos, current subdirector of the newspaper EL TIEMPO
Education Minister	Carlos Hommes Trujillo, the first elected mayor of Cali
Communications Minister	Mauricio Vargas, current adviser of communications of the Presidency
Foreign Relations	Nohemi Sanin Posada, current ambassador to Venezuela

Jorge Ospina Sardi of the New Democratic Force was appointed to replace Ernesto Samper Pizano in the Economic Development Ministry. The New Democratic Force is a conservative party led by Andres Pastrana Arango. Ospina is an economist and was national planning director under Belisario Betancourt's administration.

Juan Manuel Santos was appointed in the new Foreign Trade Ministry. Santos belonged to the editorial staff of EL TIEMPO. Santos Calderon is a Liberal, economist and foreign trade expert, especially on coffee.

Juan Camilo Restrepo, the current president of Paz del Rio Steelworks, was appointed mines and energy minister. He belongs to the National Salvation Movement. He is a lawyer and economist at the Javeriana University. He replaces Luis Fernando Vergara.

Alfonso Lopez Caballero, a liberal and economist educated at Georgetown University and a doctoral candidate at Colombia University, was appointed to the Agriculture Ministry, replacing Maria del Rosario Sintes. He was Colombia's ambassador to France.

In the Foreign Ministry there was a significant change. Independent Conservative Nohemi Sanin Posada will fill the post, replacing Liberal Luis Fernando Jaramillo. Sanin Posada was ambassador to the Venezuelan Government of Carlos Andres Perez until today. The former communications minister was important in the dialogue process currently being held with the National Guerrilla Coordinating Board in Caracas.

Liberal Mauricio Vargas Linares, a journalist was a communications adviser to Gaviria Trujillo since he took office, was appointed to replace conservative Alberto Casas as communications minister. Vargas was chief editor of the magazine SEMANA and assistant director of the newscast "Noticias Uno."

Another change in Gaviria's cabinet occurred in the education ministry. Alfonso Valdivieso Sarmiento is the outgoing minister who will be replaced by Carlos Hommes Trujillo, secretary of the Liberal Party. Hommes was the first popularly elected mayor of Cali and also consul to Tokyo.

Government Minister Humberto de la Calle Lombana; Defense Minister Rafael Pardo Rueda; Justice Minister Fernando Carrillo; Public Works Minister Juan Felipe Gaviria; Labor Minister Francisco Posada de la Pena; Health Minister Camilo Gonzalez Posso; and Finance Minister Rudolf Hommes were confirmed in their posts.

Government, CNGSB Continue Negotiations

PA1111154991 Santa Fe de Bogota Inravision Television Cadena 2 in Spanish 0100 GMT 10 Nov 91

[Report by special correspondent Francisco Tulande from Caracas, Venezuela]

[Text] The differences between the parties are continuing to the end. On 9 November, the government and the Simon Bolivar National Guerrilla Coordinating Board [CNGSB] discussed matters related to paramilitarism, codes of conduct, and the protection of the civilian population. The CNGSB insisted that it is a military force that has not surrendered. The CNGSB produced a map delineating areas of the country still under guerrilla control. Green areas indicate that the Revolutionary Armed Forces of Colombia, FARC, has control of 47 fronts. Red areas indicate that the Army of National Liberation, ELN, has 26 armed fronts operating on a permanent basis. The CNGSB believes that the government has negotiated with sincerity, but it is totally out of touch with the national reality.

[Begin recording] [Tulande] At what point did the government lose its objectivity?

[Unidentified CNGSB spokesman] The government sees the national situation, including paramilitarism, militarism, and even the guerrilla presence, in an abstract way.

[Tulande] Following five months of negotiations, is the country moving toward war or peace?

[CNGSB spokesman] This depends on the government. The Simon Bolivar CNGsb stands firm in its decision to search for political solutions to the conflict.

[Unidentified government spokesman] We never could understand each other. Whenever we said anything, the guerrillas thought we had said something else. Under these circumstances, it is very difficult to reach an agreement on a cease-fire or on anything else. When the talks were reinitiated, we found that the CNGsb negotiators were holding a more intransigent and more ambiguous position than before. When there are interlocutors who do not attach the same meaning to words, it is obviously not possible to reach any kind of agreement.

[Tulande] The dialogue will continue this evening in the midst of skepticism and uncertainty. The government and the CNGsb are no longer prepared to make concessions. [end recording]

The Caracas meeting will conclude tomorrow. The war, unfortunately, will go on for a few more months.

All Colombians want a new opportunity for peace.

Agreement Signed

PA1111155291 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 10 Nov 91

[Report by Diego Fajardo]

[Text] The first phase of Colombian peace negotiations just ended in Caracas. The government and the Simon Bolivar National Guerrilla Coordinating Board [CNGSB] sat face to face at the negotiating table and signed a 13-point agreement. In this document, the government and the guerrillas reiterated their willingness to continue their dialogue. They also reached bilateral and unilateral agreements.

The two sides agreed on 10 topics for a preliminary agenda for the discussion of a possible cease-fire. They also agreed on the following: there will be international and regional supervision over the cease-fire; the continued existence of the Advisory Commission on Public Order is vital to finding peace in Colombia; it is necessary for industrialists to contribute to finding peace; there must be favorable political conditions for the guerrillas; the government will present the Second Geneva Protocol to Congress; and the guerrillas will stop their attacks on the civilian population and the economic infrastructure.

The government and the CNGSB also agreed to call a recess. Dialogue will resume in Venezuela by 1 February if the Venezuelan Government agrees. Thus, five months of peace negotiations in Caracas ended.

Free Trade Zone Agreement Signed With Venezuela

PA0911040191 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 8 Nov 91

[Text] The free trade zone between Colombia and Venezuela will begin operations on 1 January 1992. Ramon Velasquez, the representative from the neighboring country, and Colombian Foreign Minister Luis Fernando Jaramillo signed a bilateral transportation agreement on 8 November. This transportation agreement, signed by the Presidential Commission for the Integration of the Colombian-Venezuelan Border in Santa Fe de Bogota, is another of several pacts already signed between the two nations. Other agreements are on open skies, education, health, and communications. The two countries will also exchange information on free trade.

[Begin Jaramillo recording] Effective 1 January 1992 a free trade zone between Colombia and Venezuela will begin to operate. This area will be very important for developing the economies of the two countries. [end recording]

[Begin Velasquez recording] The recommendations we made to the two governments are based on reality. [end recording]

Later on, the Colombian foreign minister ruled out the possibility that changes will be made in Colombian Embassies abroad. With regard to the case of the Colombian Consul in Canada, Jaramillo said that the embassy in Ottawa is conducting a full investigation to send a report to the Colombian Government.

Export Fund To Become Foreign Trade Bank

PA1111190991 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 6 Nov 91

[Text] We have good news concerning the internationalization of our economy. As of 6 November, the Export Development Fund, Proexpo, became the Foreign Trade Bank [Banco de Comercio Exterior, Bancomex]. Bancomex will be a second floor bank, as economists say, the primary function of which will be to grant easy credit to Colombian producers with items to sell abroad.

The transformation of Proexpo after 20 years was necessary within the internationalization of the economy. Bancomex will be devoted to satisfying the needs of working capital with short-term credit for small and medium-sized businesses.

[Begin Proexpo Director Carlos Caballero recording] The new entity will offer a wide range of specialized, modern, and thorough financial services to support all aspects of export activity. [end recording]

Bancomex will not be just another bank or a competitive bank such as those already established. It will be privatized little by little. In principle, 11 percent will belong to the exporters.

[Begin Caballero recording] The new foreign trade bank will be able to do those things that the financial sector cannot do. Given the international credibility it has acquired, Bancomex will be able to obtain foreign resources to lend to the country's exporters. [end recording]

Since recent measures have elicited protests from the exporters, former Economic Development Minister Ernesto Samper said that other measures are being implemented that should help to respond to these complaints.

[Begin Samper recording] One possibility is to accept accounts in dollars so the exporters' sector can manage them inside the country. [end recording]

Bancomex will begin operations on 1 January.

Peru

Rebels Claim U.S. Plans Military Confrontation

PA1111142691 Mexico City NOTIMEX in Spanish 1840 GMT 10 Nov 91

[Text] Lima, 10 Nov (NOTIMEX)—On 10 November, the Shining Path charged the United States with interfering in Peru's internal affairs and expressed its belief that the United States is preparing to confront the rebel group militarily.

The Shining Path's war, ongoing in Peru since 1980, will be extended to "a military confrontation with U.S. forces," a rebel spokesman said.

In an interview published on 10 November by the influential Lima newspaper EXPRESO, Shining Path spokesman Luis Arce Borja said: "It is impossible to believe that a people's democratic state can be created without a military confrontation with the United States."

Borja, who is also the director of the clandestine newspaper EL DIARIO, reaffirmed that the war is also against Washington. He said the United States' interference in Peru's internal affairs was proof of this. The United States is "using the antidrug agreement as a cover up" and "is getting ready to stop us," Borja stated.

He noted that the people's war in Peru must be viewed in an international context because "we are witnessing a process in which the United States, the Soviet Union, and other imperialist countries are dividing the world among themselves."

"The colossal crisis in the world turns the Peruvian people's war into an example that promotes revolutionary movements on the planet," he stated.

After stating that the war is being won by the Peruvian Communist Party, better known as Shining Path, he predicted that before this decade is over, the rebel movement "will take on the management of the Peruvian state."

"The war, one of the most violent in Latin America, is geared toward assuming power," he said. Borja added that "destitution and poverty, which increased under Alberto Fujimori's government, make it possible for the Communist Party to move toward the seizure of power."

In 11 years of armed conflict, political violence caused the death of more than 23,000 people and left material losses of over $20 billion.

Borja recalled that from 1980 to 1989, the communist movement organized and developed the "strategic defense of the revolution." From 1989 to the present, Shining Path implemented what the rebel spokesman called "a strategic balance" and "the guerrilla movement." He revealed that "the party is preparing for the uprising of all Peruvian cities, including Lima."

According to Peruvian intelligence services, Borja is among the men closest to Shining Path leader Manuel Abimael Guzman, also known as "President Gonzalo." Borja sharply rejected the possibility of talks between Shining Path and the Peruvian Government.

He asserted that "the war is being won by the Communist Party, and normally there are no talks with the defeated party. The government must surrender unconditionally," he stated. He considered talks to be "an instrument of the reactionary government" used to "distort the revolution's objective. They want to stop the Peruvian people's struggle."

"It was proven that talks with the imperialists or the bourgeoisie only serve to maintain the bankrupt oppressors' power." He cited as examples the now defunct 19 April Movement of Colombia and "Alfaro Lives" of Ecuador.

The Shining Path spokesman did not deny the existence of ties between the rebel group and drug traffickers operating in the Peruvian coca-producing area. These ties help to finance rebel activities.

Shining Path Political Methods Analyzed

PY0911203491 Lima EXPRESO in Spanish 4 Nov 91 pp A6, A7

[Report by Raul Gonzalez]

[Excerpts] A clandestine publication like EL DIARIO certainly does not deserve serious consideration, nor is it worth taking the trouble to reply to its reports. This article is not intended to do that. It does, however, have an objective: to show to the Peruvian public the way the Shining Path is "doing politics;" the methods to which it usually resorts to frighten those who are against it; and how it has developed a style of slander and insult—if not

open threats—that has been used with premeditation, treacherousness, and cowardliness to intimidate and neutralize whoever opposes them or dares cast doubts about "their truths."

The Incredible Shining Path Language

For those who read EL DIARIO either for work reasons or for the circumstances of their lives, they will be struck by the large number of poisonous and deadly adjectives. Examples? We apologize to the people whose names will be mentioned. The Shining Path usually resorts to "electoralist clown Cecilia Oviedo;" "the unimportant Barrantes;" "Henry Pease, the sanctimonious;" "the reptile-like Fujimori;" "Armando Villanueva, the murderer vulture;" and "Ricardo Letts, the prosperous chief." [passage omitted]

Those are just some examples (actually just a few of the many that could be listed). For obvious reasons, the people who are not publicly known but who hold high-ranking labor union posts are not mentioned here.

The Journalists' Turn

Over the past few months, however, the range of those at whom those words are aimed has increased. EL DIARIO is also now concerned about "the poisonous reports written by Angel Paez on direct orders from his contacts with the Interior Ministry and Dircote [Counterterrorist Division];" they say they are aware of his "actions" and they even have fabricated a trip "for receiving instructions in the United States." Lately, they have also been concerned about the reports signed by "infamous (because they are not famous) Jose Gonzales; Francisco Reyes; Angel Paez (once again); Mario Munive; and also Manuel Tarazona." They are called "stupid Shining Pathologists" and "rotten analysts from the sewers..." in which they are working.

In some political areas and mass media, the Shining Path has managed to create, to say the least, some type of confusion. We could even say that some politicians, fortunately just a few of them, feel that they are being watched by the "party's eyes and ears," and even though no one has panicked, there are those who—driven by a paranoia whose origin can be understood—are looking for the "informer" or male or female "journalist" who wrote such reports. This, however, is not the substantive part of it. The actually important point is to realize that it is a "style" of "making politics" that EL DIARIO will continue to use because what they want is to silence and neutralize "critics" and those who are "uncomfortable." It is not a show of force: Their reasons are neither sound nor categorical but, on the contrary, openly weak. The way they are trying to do it is by resorting to the most comfortable way of solving uncomfortable situations: to discredit the journalist or analyst, claiming that he is linked with the forces of order, thus casting doubts over all his statements.

The Game Is Insult

This behavior is neither casual nor spontaneous. It was ordered by an instruction dated 16 May 1991, which was seized by police and which stated the following: "promote the use of offenses... this is how the masses will be prepared to participate, coupling the painting of slogans on walls with the use of insults..." In other words, the Shining Path leadership ordered the use of insults as a form of struggle par excellence—but obviously while no decision is made to resort to elimination.

What is the explanation for this behavior? There is just one. The Shining Path is trying to conceal the serious problems that it is confronting, and that has nothing to do with its undeniable growth but with the strategic trap in which it was caught, which has questioned the validity of the famous "Gonzalo thought" that is so dear to them.

The Problems

What are these problems?

The first, and perhaps the most important one, is the problem related to a real fact: After almost 12 years of "armed struggle," they can grow bigger and better in the towns, while having serious problems in the interior. If we remember that although the Shining Path is a Marxist-Leninist group it is fundamentally Maoist, and that—in addition—it boasts of having created the "Gonzalo Way of Thinking" (which applies Maoist ideas to the Peruvian reality), we will realize that this is a huge problem. For a group with these ideological characteristics, to grow in the towns and not in the interior is a strategic problem, or at least, a serious deviation because they cannot "construct" their so-called "new social order" in the interior.

Therefore, the following question is: Can they "construct" it in the towns? For a Maoist, there is only one answer: No. The problems in the interior are so huge that they surpass the 1982 peasant migration, because currently no one can deny the proliferation of the famous "Self Defense Committees" (also known as "patrols") that the government has not hesitated in equipping with weapons. Conclusion: The peasants, whom the Shining Path pretended to represent, fight it back, reject it.

But that is not all, because for the Shining Path one of the main "contributions" made by Guzman for "world revolution" was how he designed the construction of the "Popular Guerrilla Army" (EGP), which was completely different from other organizations that carried out a guerrilla war. Other organizations believed that an EGP is created after "choosing" the so-called "best sons of the people" who received military and political training, and then are sent to a different "theater of operations" that is considered a priority. Guzman believes that an EGP is built as a result of the work carried out by the party in the countryside. This work will allow the party members to get a "social base," which is then organized in "Popular Committees," and then "militarized." Guzman says that

the future fighters that must make up the EGP will come out of this process, and that the people and the party are nothing without the EGP.

The second great problem involves the difficulty in showing that the Shining Path is able to pass to a higher-quality stage, and that it has reached the "strategic balance" that is talked about so much. The reason for this is quite simple. To reach that stage it is not enough to just talk about it; three essential related conditions must be fulfilled. The first condition is the social aspect, that society become divided in such a way that it can be said that it is divided in two parts. The second is the political aspect, that only two political forces in dispute exist: the government on one side and the people in arms, that is the Shining Path, on the other. And third, the military aspect, that two military organizations must exist, whatever their firepower. And they must be related because it is presumed that one of the parties in which society was divided must feel represented politically by the group in arms. And this is not happening in Peru. Although some analysts may say that society is divided between those who support and those who reject the current economic policy, no one with a minimum of seriousness can say that those who oppose the economic policy feel politically represented by the Shining Path.

Another problem facing the Shining Path is that it was counting on the defeat of "revisionism," that is the groups that make up the so-called legal left and in this manner affect all the organizations influenced by legal left groups. What happened? These organizations, independent of the crisis affecting their leaderships, have not been defeated or dismantled. On the contrary, they are facing the Shining Path, and they have not been intimidated by direct threats or other methods of coercion. In other words: They did not allow themselves to be defeated by fear.

The other obvious problem is that since the Shining Path has been growing in the cities, it has had to adopt a legal or semi-legal facade. The consequences of this are there for all to see. The "party" has become much more vulnerable and its security mechanisms have been weakened. Thus, more and more relatively important cadres are being arrested all the time and more hideouts that contain important documents are being raided. Work in the cities has its drawbacks. Working in the cities is not the same as working in the countryside. This is the price that the Shining Path must pay for having reduced its work in the rural areas to the bare minimum.

Finally, the Shining Path must cope with yet another problem: the lack of political cadres capable of "taking the place" of those of the "old state" whom they want to push aside. These Shining Path cadres must be capable of building their "new social order" and shouldering the responsibilities stemming from the circumstances. The Shining Path, however, does not have such cadres.

The Two Fronts

In this context, there is only one conclusion: The famous struggle on two fronts must have worsened because the primary issue at stake is obviously none other than the strategy to take over power that was designed by "Gonzalo." The issue in question is none other than that which united them: the so-called Party Unity Grass Roots [Base de Unidad Partidaria] (the famous BUP). This was the basis of the "Gonzalo Thinking." And this clash could result in the defeat of "Gonzalo Thinking."

Reasons and Nonreasons

Well, these are the problems the Shining Path is confronting. They are obviously not pleased over the publicity of this issue or for being criticized. This is the reason for the insults and diatribe. They are trying to "neutralize" their political opponents and those analysts who are aware of these problems and who realize that they are neither a fantasy nor the result of a "smear" campaign against the "party." This is why they are annoyed when their weaknesses are pointed out and why they resort to the gullible argument of saying that their critics "are acting in conjunction with" the Armed Forces and police.

It is true, as stated at the beginning of this article, that it is not worthwhile to answer them; however, since the specter of the objects of this "campaign" increases, it is worthwhile to reflect about it, not to begin a controversy but to show the Peruvian public the way these alleged "social strugglers" are "making politics."

I personally have never replied to the "charges" and "insults" of all kinds I received. Much less have I been intimidated by the threat that the "people in arms" will settle accounts with me sooner or later. On more than one occasion, I publicly have been threatened with death, obviously with the purpose of neutralizing me and making me shut up. I decided to write this article because I understand that not all those "mentioned" in EL DIARIO think the same and because I understand that many young journalists are worried because their respective trade unions have not said anything about this. Perhaps the best example may be the case of LA REPUBLICA, which not long ago denounced the existence of an alleged terrorism of state but it did not mention the name of a single of its journalists who is publicly threatened by the Shining Path.

To all those who the Shining Path intends to intimidate, scare, frighten, silence, or neutralize, I express my solidarity—if it is of any use. I urge them not to allow the Shining Path to silence them because if such a thing happens, the Shining Path will have attained its objective without firing a single shot. If journalists accept this "blackmailing" and allow themselves to be "intimidated" and commit "self-censorship"—by the pressure of the Shining Path—they will become something like the "living dead."

Besides expressing my solidarity, I also request all human rights defense groups and journalistic organizations to voice their opinion about this issue. If we do not defend the journalists' right to say the truth and if we do not do anything so that they will not be silenced and exert their rights without any restrictions, little will be done to help consolidate democracy and then, journalism would lose the moral authority with which to meet its role as controllers.

It is not possible to accept that whoever does not obey the rules imposed by the Shining Path should be condemned to follow the steps of Cirilo Ore, the Ayacucho journalist who was murdered on 27 October.

Minister on Inflation, Foreign Investments

PY0811141091 Lima EL COMERCIO in Spanish 3 Nov 91 p A4

[Excerpts] Finance Minister Carlos Bolona Behr said yesterday that even though inflation was kept at 4 percent in October—equivalent to a 50 percent annual inflation rate—this is still high. He added that the government stabilization program will continue with the same austerity, discipline, and severity, because it is a precondition for reactivation. [passage omitted]

Clear Rules for the Game

In a long talk with journalists, the minister stressed the need to accept and endorse the structural reforms that the government is implementing in order to make Peru an attractive country for foreign investors.

He emphasized the need for the government, Congress, and those responsible political parties that promote economic development to work together to resolve the Peruvian crisis.

"It is possible to set clear and stable rules for the game in the areas of privatization, investment promotion, and labor reform," he said. [passage omitted]

Bolona also referred to social needs, stressing that the government has decided that, instead of subsidizing public enterprises, investment should be channeled toward social areas, transportation, and the enforcement of law and order.

He said that internal revenues of at least $300 million have been earmarked for the social area in 1992, and that this allocation includes the Glass of Milk Program and employment programs.

Presidential Tour of Asia

Bolona also referred to President Alberto Fujimori's upcoming tour of southeast Asia, during which he will visit countries like Thailand, Malaysia, and Singapore.

He said that the president will represent the new image of a serious Peru that merits credibility.

He said it will be possible to attract foreign investment if Peru skillfully handles its foreign relations and if our country makes use of our potential access to the U.S. market through the antidrug agreement, which he regarded as a very important instrument for negotiation. (passage omitted]

Economy Minister Bolona Advocates Free Market

PY0811143491 Lima LA REPUBLICA in Spanish 4 Nov 91 p 4

[Excerpts] Economy Minister Carlos Bolona said last night that the economic program should be more drastic, for which reason "it is necessary to break the taboos" that affect labor policies and foreign investments.

While his position of economy minister was still uncertain—despite the fact that political analysts said that his appearance on television Channel 4 consolidated his position at his office on Abancay Avenue—Bolona said that the state will not refinance bankrupt companies or companies that have gone into the red. [passage omitted]

Bolona said that salary increases in the private sector will have to match the economic capacity of the respective enterprises, which in turn will have to adjust their costs instead of increasing prices, and that public sector salary increases will be selective and will depend on fiscal revenues.

He was optimistic, however, about Peru's successful rejoining of the international credit agencies.

He said: "The IMF and the World Bank feel great respect and admiration for what Peru is doing, for its expeditious achievements."

Bolona said that at the next IMF meeting, Peru will be considered a serious country that deserves credibility. [passage omitted]

He said that promoting free enterprise, free market, and free trade are other key factors. The minister recalled how Senator Maximo San Roman put it: "Let the people work." [passage omitted]

He said that reducing inflation is a painful process, as was shown by the experience of other countries that have adopted the same method. "We are not doing anything new, and we should continue with our structural reforms."

Bolona added that the economic program must be strengthened if we are to continue to move forward. "We have to make more drastic progress," he said. [passage omitted]

Concerning foreign investments, he said that several leftist politicians have portrayed foreign investments as the work of Satan, because of taboos... We should also overcome this. "Let us break those taboos and modernize ourselves," Bolona said. [passage omitted]

When Will Salaries be Increased?

Reactivation will come with consolidated stabilization and with much lower inflation rates. A 4 percent rate is an achievement, but we expect much lower levels, the minister said.

Bolona said that reactivation will be the result not only of government investment but also of foreign investments, privatization, and exports; it will not be achieved by just printing money and by spending more than we actually have, he noted.

Bolona added that, during this adjustment stage, the burden will be borne not only by the popular classes but also by businessmen and by the various economic agents. [passage omitted]

Fujimori Swears In New Housing Minister

PA0911043091 Lima Global de Television Network in Spanish 0100 GMT 9 Nov 91

[Excerpts] Oscar de la Puente Raygada was sworn in on 8 November as the new housing minister. De la Puente, a former education minister, is a lawyer. [passage omitted] His appointment completes President Fujimori's new cabinet.

The ceremony was held in the Golden Hall of Government Palace. President Fujimori and all cabinet members were present.